

## ATTACHMENT NO. 6

### SCOPE OF DEVELOPMENT

Pursuant to the Disposition and Development Agreement (DDA) executed by and between the Housing Authority of the County of Riverside (“Authority”) and Habitat for Humanity Riverside (“Developer”), Developer shall develop a 26 home community for qualified Lower Income Households with a preference for veterans. Each family must qualify as First Time Homebuyer households whose incomes are at or below eighty percent (80%) of the Area Median Income (AMI), adjusted by family size at the time of occupancy, for the County of Riverside. Units shall be affordable for the longest feasible time, but not less than forty-five (45) years following the initial purchase of a Restricted Unit by a Purchaser from Developer. All capitalized terms not defined herein shall have the meaning ascribed to such terms in the DDA.

The project shall consist of 26 single story homes that are built to EnergyStar standards and equipped with solar panels to ensure that the home remains affordable no less than the Restricted Period (as defined in the DDA). There will be 18 3-bedroom/2 bath homes (1,500 square feet) and 8 4-bedroom/2 bath homes (1,300 square feet) as specified in the Plans and specifications approved by the City of Jurupa Valley. The design styles shall be Craftsman, Prairie and Ranch inspired with large front porches equipped with lighting and ceiling fans to encourage neighborhood participation by the families. All of the homes shall be situated around the open community space and there will be a Homeowners Association (HOA) to ensure maintenance of the common areas. The project shall include community spaces, including a playground, basketball court, walking paths, and picnic area pursuant to the Plans and specifications approved by the City of Jurupa Valley. There will also be a space for a flagpole and a metal sculpture (a giving tree) that will be engraved with the names of contributors, service partners and donors to the project.

The homes shall be designed to EnergyStar standards and include such energy saving features as:

- Tankless Hot Water Heaters
- Energy Star rated HVAC units & appliances
- Radiant Barrier roof decking
- Solar tubes in rooms without windows to eliminate the need for lights during the day
- R-15 insulation in the walls and R-30 insulation in the attic spaces
- Solar Panels

Private Roadway:

The Project shall include the construction of private roads for residents to access their homes and shall be maintained by the HOA.

Green Features:

The Project shall achieve EnergyStar rating and will include LED lighting, ceiling fans in each bedroom and living room, tank less hot water heaters, radiant barrier in the roofs, solar tubes in the interior bathrooms to minimize the need to use lights during daytime hours and photovoltaic panels on the roofs.

Amenities:

The Project shall include approximately 42,000 square feet of community open space improvements. The community spaces include a playground, basketball court, walking paths, BBQ and picnic area. The HOA shall maintain the community open space.

Parking:

Each home will have parking for two cars inside the garage as well as two cars in the driveway if necessary. The interior streets will have room for parking on both sides of the streets to accommodate visitor parking as well as parking near the common space in the middle of the development.

Unique to this Project are the supportive services for the veterans and their families. All Habitat partner families are required to go through a series of classes to help them be successful homeowners. After purchasing the home, a number of services will be available through local agencies, businesses and partners so they are easily accessible to the families. Classes may include: budget planning; home maintenance & repair; healthy cooking & nutrition; gardening; online financial training; Equine therapy (the discipline of using horses as a means to promote emotional growth); art trauma therapy for the veterans and their families; peer to peer Veteran dialogue; insurance basics; disaster preparedness; and certified emergency response.

ATTACHMENT NO. 7

PROJECT BUDGET

Project Permanent Sources and Uses of Fund:

Sources:

CalVet Funding	\$	5,200,000
Capital Contributions		
Flex Cap funding	\$	400,000
J.P. Morgan Chase	\$	105,000
Jack 'n Jill of America	\$	75,000
The Home Depot Foundation	\$	220,000
Wells Fargo Foundation	\$	250,000
Bank of America Foundation	\$	250,000
Gifts in Kind Donations (labor & product)	\$	<u>300,000</u>
Total Sources	\$	6,800,000

Uses:

Land & Acquisition (escrow fees, title, recording, insurance)	\$	260,000
Construction	\$	4,157,000
Architecture	\$	104,000
Engineering, Infrastructure, Permit & Fees	\$	1,660,000
Construction Contingency	\$	150,000
Neighborhood Enrichment Services Plan	\$	120,000
Developer's Fees	\$	<u>349,000</u>
Total Uses	\$	6,800,000

## ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (“Indemnity”), is dated \_\_\_\_\_, 2015, and made by HABITAT FOR HUMANITY RIVERSIDE, INC., a California nonprofit public benefit corporation (“Developer”), in favor of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, its successors, and assigns (collectively, the “Authority”).

### RECITALS

WHEREAS, Developer is the owner of the real property in the City of Jurupa Valley, as more particularly described on Exhibit A attached hereto and made a part hereof, and the improvements located thereon (collectively the “Property”);

WHEREAS, Developer and the Authority entered into that certain Disposition and Development Agreement, dated as of \_\_\_\_\_, 2015 (“DDA”), wherein, among other things, the Authority agreed to convey the Property to Borrower for the purpose of developing and constructing thereon 26 for-sale single-family residential units and related improvements and amenities;

WHEREAS, Developer has agreed to execute and deliver to the Authority this Indemnity to induce the Authority to convey the Property.

NOW, THEREFORE, with reference to the foregoing and in reliance thereon and for good and valuable consideration, the receipt of which is hereby acknowledged, Developer agrees as follows:

#### Section 1. DEFINITIONS

For the purpose of this Indemnity, “Hazardous Materials” or “Hazardous Substances” shall include, but not be limited to, any substance or material (whether a raw material, building component or waste, a product or by-product of manufacturing or other activities, or any other substance or material) which is or becomes designated, classified or regulated as being “hazardous” or “toxic”, or is or becomes otherwise similarly designated, classified or regulated, under any Federal, state or local law, regulation or ordinance, including without limitation (i) any substance defined as a “hazardous substance” or a “hazardous waste” for purposes of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., or the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., respectively, (ii) any substance defined as a “hazardous waste” or a “hazardous substance” for purposes of applicable state or local law and (iii) petroleum, flammable explosives, urea formaldehyde insulation, asbestos and radioactive materials, substances defined as “extremely hazardous substances,” “hazardous substances,” “hazardous materials,” “hazardous waste” or “toxic substances” the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; and those substances defined as “hazardous waste” in Section 25117 of the California Health and Safety Code, as “infectious waste” in Section 25117.5 of the California Health and Safety Code, or as “hazardous substances” in Section 25316 of the California Health and Safety Code or

“hazardous materials” as defined in Section 353 of the California Vehicle Code; and in the regulations adopted and publications promulgated pursuant to said laws.

## Section 2. COVENANTS AND INDEMNITY

The following covenants and indemnities are hereby given and made by Developer:

### 2.1 Covenants.

(a) Developer covenants that it shall comply with any and all laws, regulations, and/or orders which may be promulgated, from time to time, with respect to the discharge and/or removal of Hazardous Materials, to pay immediately when due the costs of the removal of, or any other action required by law with respect to, any such Hazardous Materials, and to keep the Property free of any lien imposed pursuant to any such laws, regulations, or orders.

(b) Developer covenants that the Property will not, while Developer is the owner or has any control thereof, be used for any activities involving, directly or indirectly, the use, generation, treatment, storage, release, or disposal of any Hazardous Materials, except for de minimis quantities used at the Property in compliance with all applicable environmental laws and required in connection with the routine operation and maintenance of the Property.

(c) Developer acknowledges that it has received and reviewed the Phase I Environmental Site Assessment (“Documents”), dated January 19, 2005 from Ami Adini & Associates, Inc., relating to the assessment of environmental conditions at the Project site located on the Property. Developer acknowledges that Authority does not warrant that these Documents constitute all documents that may exist regarding the environmental conditions of the Property, and that Developer has been cautioned to conduct its own inquiry to determine if more information is available. As part of Developer’s due diligence, Developer has obtained, on its own, a Phase I Environmental Site Assessment, dated June 19, 2014 from GeoTek, Inc. under Project No. 1195-CR3.

(d) Developer further agrees that Developer shall not release or dispose of any Hazardous Materials at the Property without the express written approval of the Authority and that any such release or disposal shall be effected in strict compliance with all applicable laws and all conditions, if any, established by the Authority.

(e) The Authority shall have the right, at any time, to conduct an environmental audit of the Property at the Authority's expense, unless Hazardous Materials are found, then at Developer's sole cost and expense, and Developer shall cooperate in the conduct of any such environmental audit but in no event shall such audit be conducted unless the Authority believes that such audit is warranted. Other than in an emergency, such audit shall be conducted only after prior notice has been given to Developer and only in the presence of a representative of Developer. Developer shall give the Authority and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials.

(f) Developer shall not install, or permit to be installed, on the Property friable asbestos or any substance containing asbestos and deemed hazardous by federal or state regulations respecting such material, and, with respect to any such material currently present in the Property, Developer shall promptly either (i) remove or cause to be removed any material that such regulations deem hazardous and require to be removed, or (ii) otherwise comply with

such federal and state regulations, at Developer's sole cost and expense. If Developer shall fail to so do within the cure period permitted under applicable law, regulation, or order, the Authority may do whatever is necessary to eliminate said substances from the premises or to otherwise comply with the applicable law, regulation, or order, and the costs thereof shall be added to the Obligations (as hereinafter defined) of Developer under this Section 2.

(g) Developer shall immediately advise the Authority in writing of any of the following: (i) any pending or threatened environmental claim against Developer or the Property or (ii) any condition or occurrence on the Property that (A) results in noncompliance by Developer with any applicable environmental law, (B) could reasonably be anticipated to cause the Property to be subject to any restrictions on the ownership, occupancy, use or transferability of the Property under any environmental law, or (C) could reasonably be anticipated to form the basis of an environmental claim against the Property or Developer.

2.2 Indemnity. Developer shall indemnify, protect, and hold the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives, harmless from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, or expenses (including, without limitation, attorneys' and experts' fees and disbursements) of any kind or of any nature whatsoever (collectively, the "Obligations") which may at any time be imposed upon, incurred by or asserted or awarded against the Authority and arising from or out of:

The presence of any Hazardous Materials on, in, under, or affecting all or any portion of the Property or any surrounding areas, including Hazardous Materials known or anticipated to be present, except to the extent such Hazardous Materials were caused by the Authority or its agents;

The breach of any covenant made by Developer in Section 2.1 hereof; or

The enforcement by the Authority of any of the provisions of this Section 2.2 or the assertion by Developer of any defense to its obligations hereunder.

Notwithstanding any other provision or as otherwise allowed by law, the Authority may also recover directly from Developer or from any other party who may be responsible for:

- (1) Obligations, including, but not limited to, any damages, costs and expenses incurred by Authority as a result of fraud or any criminal act or acts of Developer or any partner, member, shareholder, officer, director, agent, or employee of Developer, or of any general or limited partner of Developer;
- (2) Obligations, including, but not limited to, any damages, costs and expenses incurred by Authority as a result of any misappropriation of funds provided for the construction of the Project, as described in the DDA, revenues from the sale of the Restricted Units following an Event of

- Default, any funds on deposit in a replacement reserve or operating reserve account or security deposits held by Developer with respect to the Property, or proceeds of insurance policies or condemnation proceeds;
- (3) Obligations, including, but not limited to, any damages, costs and expenses incurred by the Authority as a result of the negligence of such person or entity, involving, directly or indirectly, the use, generation, treatment, storage, release, or disposal of any Hazardous Materials; and all court costs and attorney's fees reasonably incurred in enforcing or collecting upon any of the foregoing Obligations.

### Section 3. DEVELOPER'S UNCONDITIONAL OBLIGATIONS

3.1 Unconditional Obligations. Developer hereby agrees that the Obligations will be paid and performed strictly in accordance with the terms of this Indemnity, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting any of the Authority Instruments or affecting any of the rights of the Authority with respect thereto. The obligations of Developer hereunder shall be absolute and unconditional irrespective of:

- (1) The validity, regularity, or enforceability of the Authority Instruments or any other instrument or document executed or delivered in connection therewith;
- (2) Any alteration, amendment, modification, release, termination, or cancellation of any of the Authority Instruments, or any change in the time, manner, or place of payment of, or in any other term in respect of, all or any of the obligations of Developer contained in any of the Authority Instruments;
- (3) Any waiver of, or consent to any departure from, any provision contained in any of the Authority Instruments;
- (4) Any exculpatory provision in any of the Authority Instruments limiting the Authority's recourse to property encumbered by any security, or limiting the Authority's rights to a deficiency judgment against Developer;
- (6) The insolvency or bankruptcy of Developer, Authority, or of any indemnitor or guarantor under any other indemnity or guarantee given in connection with the DDA; or
- (7) Any other circumstance that might otherwise constitute a defense available to, or a discharge of, Developer, or any other indemnitor or guarantor with respect to or any or all of the Obligations.

3.2 Continuation. This Indemnity (a) is a continuing indemnity and shall remain in full force and effect until the satisfaction in full of all of the Obligations; and (b) shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Authority upon the insolvency,

bankruptcy, or reorganization of Developer or otherwise, all as though such payment had not been made.

3.3 Termination. Notwithstanding the payment (and performance) in full of all of the Obligations and the payment (or performance) in full of all of Developer's obligations under the Authority Instruments, this Indemnity shall not terminate if any of the following shall have occurred:

- (1) The Authority has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise; or
- (2) There has been a change, between the date hereof and the date on which all of the Obligations are paid and performed in full, in any Hazardous Materials laws, the effect of which may be to make a lender or mortgagee liable in respect of any of the Obligations, notwithstanding the fact that no event, circumstance, or condition of the nature described in paragraph (a) above ever occurred.

#### Section 4. WAIVER

Developer hereby waives the following:

- (1) Promptness and diligence;
- (2) Notice of acceptance and notice of the incurrence of any obligation by Developer;
- (3) Notice of any action taken by the Authority, Developer, or any other interested party under any Authority Instruments or under any other agreement or instrument relating thereto;
- (4) All other notices, demands, and protests, and all other formalities of every kind, in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this Section 4, might constitute grounds for relieving Developer of its Obligations hereunder;
- (5) To the extent permitted by law, the right to a trial by jury with respect to any dispute arising under, or relating to, this Indemnity;
- (6) Any requirement that the Authority protect, secure, perfect, or insure any security interest or lien in or on any property subject thereto;
- (7) Any requirement that the Authority exhaust any right or take any action against Developer or any other person or collateral; and
- (8) Any defense that may arise by reason of:
  - (i) The incapacity, lack of authority, death or disability of, or revocation hereof by, any person or persons;
  - (ii) The failure of the Authority to file or enforce any claim against the estate (in probate, bankruptcy, or any other proceedings) of any person or persons; or



- (iii) Any defense based upon an election of remedies by the Authority, including, without limitation, an election to proceed by nonjudicial foreclosure or which destroys or otherwise impairs the subrogation rights of Developer or any other right of Developer to proceed against any party.

Section 5. NOTICES

All notices, demands, approvals, and other communications provided for in the Authority Instruments shall be in writing and be delivered by telegraph, cable, overnight air courier, personal delivery, or registered or certified U.S. mail, postage prepaid with return receipt requested to the appropriate party at its address as follows:

If to Developer:       Habitat for Humanity Riverside, Inc.  
2180 Iowa Avenue  
Riverside, CA 92507  
Attn: Executive Director

If to Authority:       Housing Authority of the  
County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn: Deputy Executive Director

Addresses for notice may be changed from time to time by written notice to all other parties. Any communications given by telegram or cable must be confirmed within forty-eight (48) hours by overnight air courier or mail in the manner hereinbefore described. If any communication is given by mail in the manner hereinabove described, it will be effective upon the earlier of (a) three (3) days after deposit in a post office or other official depository under the care and custody of the United States Postal Service, or (b) actual receipt, as indicated by the return receipt; if given by telegraph or cable, when delivered to the telegraph company with charges prepaid; and if given by personal delivery, or by overnight air courier, when delivered to the appropriate address set forth above.

Section 6. MISCELLANEOUS

6.1 Developer shall make any payment required to be made hereunder in lawful money of the United States of America, and in same day funds, to the Authority at its address specified in the first paragraph hereof.

6.2 No amendment of any provision of this Indemnity shall be effective unless it is in writing and signed by Developer and the Authority, and no waiver of any provision of this Indemnity, and no consent to any departure by Developer from any provision of this Indemnity, shall be effective unless it is in writing and signed by the Authority, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.3 No failure on the part of the Authority to exercise, and no delay in exercising, any right hereunder or under any other Authority Instruments shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Authority provided herein and in the other Authority Instruments are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights of the Authority under any Authority Instruments against any party thereto are not conditional or contingent on any attempt by the Authority to exercise any of its rights under any other Authority Instruments against such party or against any other person or collateral.

6.4 Any provision of this Indemnity that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof and without affecting the validity or enforceability of such provision in any other jurisdiction.

6.5 This Indemnity shall (a) be binding upon Developer, and Developer's successors and assigns; and (b) inure, together with all rights and remedies of the Authority hereunder, to the benefit of the Authority, its respective directors, officers, officials, employees, and agents, any successors to the Authority's interest in the Property, any other person who acquires any portion of the Property at a foreclosure sale or otherwise through the exercise of the Authority's rights and remedies under the Authority Instruments, any successors to any such person, and all directors, officers, officials, employees, and agents of all of the aforementioned parties. Without limiting the generality of clause (b) of the immediately preceding sentence, the Authority may, subject to, and in accordance with, the provisions of the Authority Instruments, assign or otherwise transfer all or any portion of its rights and obligations under any other Authority Instruments, to any other person, and such other person shall thereupon become vested with all of the rights and obligations in respect thereof that were granted to the Authority herein or otherwise. None of the rights or obligations of Developer hereunder may be assigned or otherwise transferred without the prior written consent of the Authority.

6.6 Developer hereby (a) irrevocably submits to the jurisdiction of the Superior Court of Riverside County in any action or proceeding arising out of or relating to this Indemnity, (b) waives any defense based on doctrines of venue or forum non convenient or similar rules or doctrines, and (c) irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in the Superior Court of Riverside County. Developer irrevocably consents to the service of any and all process which may be required or permitted in any such action or proceeding to the address specified in the first paragraph of this Indemnity, above. Developer agrees that a final judgment in any such action or proceeding shall be inclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

6.7 The title of this document and the captions used herein are inserted only as a matter of convenience and for reference and shall in no way define, limit, or describe the scope or the intent of this Indemnity or any of the provisions hereof.

6.8 This Indemnity shall be governed by, and construed and interpreted in accordance with, the laws of the State of California applicable to contracts made and to be performed therein.

6.9 This Indemnity may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one agreement.

IN WITNESS WHEREOF, Developer has duly executed this Indemnity as of the date first set forth above.

**DEVELOPER**

HABITAT FOR HUMANITY  
RIVERSIDE, INC.  
County of Riverside, a California non-profit  
public benefit corporation

By: \_\_\_\_\_  
Kathy M. Michalak, Executive Director

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Nicholas D. Adcock, Treasurer

Date: \_\_\_\_\_

Exhibit A

**LEGAL DESCRIPTION**

All that certain real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL A: (APN: 169-100-055-1 AND 169-100-057-3)

PARCEL 2 OF PARCEL MAP NO. 34696, IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 226, PAGES 95 TO 99, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED IN GRANT DEEDS RECORDED APRIL 22, 2008 AS INSTRUMENT NO. 2008-0199763 OF OFFICIAL RECORDS AND SAID PORTIONS AS SHOWN ON PAGES 9 AND 10 AS CONVEYED BY BOOK 137 OF RECORD OF SURVEYS PAGES 99-113, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B: (APN: 169-070-035-1 formerly APN 169-070-003)

THE WESTERLY 4 FEET OF THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED BY METES AND BOUNDS, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT;  
THENCE NORTH ON THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT, CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;  
THENCE EAST ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET;  
THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE OF SAID LOT;  
THENCE WEST ON SAID SOUTH LINE, 165 FEET TO THE POINT OF BEGINNING.

**ATTACHMENT NO. 9**  
**ASSIGNMENT OF AGREEMENTS**

[BEHIND THIS PAGE]

## ASSIGNMENT OF AGREEMENTS

FOR VALUE RECEIVED, the undersigned, HABITAT FOR HUMANITY RIVERSIDE, INC., a California nonprofit public benefit corporation (“Habitat”), assigns to the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE (“Authority”), all of its right, title and interest in and to:

1. All architectural, design, engineering and development agreements, and any and all amendments, modifications, supplements, addenda and general conditions thereto (collectively, “Architectural Agreements”); and
2. All plans and specifications, shop drawings, working drawings, amendments, modifications, changes, supplements, general conditions and addenda thereto (collectively “Plans and Specifications”)

heretofore or hereafter into or prepared by any architect, engineer or other person or entity (collectively “Architect”), for or on behalf of Habitat in connection with the construction and/or rehabilitation of the Improvements. The Plans and Specifications, as of the date hereof, are those which Habitat has heretofore, or will hereafter deliver to Authority. The Architectural Agreements include, but are not limited to, the architectural contract between Habitat and \_\_\_\_\_, located at \_\_\_\_\_.

This ASSIGNMENT OF AGREEMENT AND PLANS AND SPECIFICATION (“Assignment”) constitutes a present and absolute assignment to Authority as of the Effective Date, subordinate to the rights of \_\_\_\_\_ Bank (“Construction Lender”); provided, however, Authority confers upon Habitat the right to enforce the terms of the Architectural Agreements and Habitat’s rights to the Plans and Specifications so long as no Default or event which would constitute a Default after notice or the passage of time, or both, has occurred and is continuing under the Disposition and Development Agreement, dated as of \_\_\_\_\_, 2015 between the Authority and Habitat (“Developer” therein) (the “DDA”), as well as any future amendments and implementation agreements between Habitat and Authority which refer to this Assignment. Capitalized terms not otherwise defined herein shall have the meaning set forth in the DDA. Upon the occurrence of a default or event which would constitute a default after notice or the passage of time, or both, under the DDA, Authority may, in its sole discretion, give notice to Architect of its intent to enforce the rights of Habitat under the Architect Agreements and of its rights to the Plans and Specifications and may initiate or participate in any legal proceedings respecting the enforcement of said rights. Habitat acknowledges that by accepting this Assignment, Authority does not assume any of Habitat’s obligations under the Architectural Agreements or with respect to the Plans and Specifications.

Habitat represents and warrants to Authority, as of Habitat’s execution hereof, that: (a) all Architectural Agreements entered into by Habitat are in full force and effect and are enforceable in accordance with their terms and no default, or event which would constitute a default after notice or the passage of time, or both, exists with respect to said Architectural Agreements; (b) all copies of the Architectural Agreements and Plans and Specifications delivered to Authority are complete and correct; and (c) Habitat has not assigned any of its rights under the Architectural Agreements or with respect to the Plans and Specifications.

Habitat agrees: (a) to pay and perform all obligations of Habitat under the Architectural Agreements; (b) to enforce the payment and performance of all obligations of any other person or entity under the Architectural Agreements; (c) not to modify the existing Architectural Agreements nor to enter into any future Architectural Agreements without Authority's prior written approval except as otherwise may be permitted in the DDA; and (d) not to further assign (other than assignment in connection with a loan from the Construction Lender), for security or any other purposes, its rights under the Architectural Agreements or with respect to the Plans and Specifications with Authority's prior written consent.

This Assignment secures performance by Habitat of all obligations of Habitat under the DDA. This Assignment is supplemented by the provisions of the DDA and said provisions are incorporated herein by reference.

This Assignment shall be governed by the laws of the State of California, and Habitat consents to the jurisdiction of the Superior Court of the County of Riverside, State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action shall be entitled, in addition to any other recovery, to reasonable attorney's fees and costs.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Habitat and Authority; provided, however, this shall not be construed and is not intended to waive any restrictions on assignment, sale, transfer, mortgage, pledge, hypothecation or encumbrance by Habitat contained in the DDA.

The attached Architect's Consent, Schedule 1 and Exhibit A are incorporated by reference.

**HABITAT**

HABITAT FOR HUMANITY RIVERSIDE, INC.  
County of Riverside, a California non-profit public  
benefit corporation

By: \_\_\_\_\_  
Kathy M. Michalak, Executive Director

By: \_\_\_\_\_  
Nicholas D. Adcock, Treasurer



**ARCHITECT'S CONSENT**

The undersigned architect ("Architect") hereby consents to the foregoing Assignment to which this Architect's Consent ("Consent") is part, and acknowledges that there presently exists no unpaid claims due to the Architect except as set forth on Schedule 1 attached hereto, arising out of the preparation and delivery of the Plans and Specifications to Habitat and/or the performance of the Architect's obligations under the Architectural Agreements.

Architect agrees that if, at any time, Authority shall become the owner of said Property, or, pursuant to its rights under the DDA, elects to undertake or cause the completion of construction of the Improvements on any portion of the Property, in accordance with the Plans and Specifications, and gives Architect written notice of such election; THEN, so long as Architect has received, receives or continues to receive the compensation called for under the Architectural Agreements, Authority may, at its option, use and rely on the Plans and Specifications for the purposes for which they were prepared, and Architect will continue to perform its obligations under the Architectural Agreements for the benefit and account of Authority in the same manner as if performed for the benefit or account of Habitat in the absence of the Assignment.

Architect further agrees that, in the event of a breach by Habitat of the Architectural Agreements, or any agreement entered into with Architect in connection with the Plans and Specifications, so long as Habitat's interest in the Architectural Agreements and Plans and Specifications is assigned to Authority, Architect will give written notice to Authority of such breach at the address shown below. Authority shall have thirty (30) days from the receipt of such written notice of default to remedy or cure said default. Nothing herein shall require Authority to cure said default or to undertake completion of construction of the Improvements.

Architect warrants and represents that it/he has no knowledge of any prior assignment(s) of any interest in either the Plans and Specifications and/or the Architectural Agreements. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment.

Executed \_\_\_\_\_, 2015.

[insert name of architect]

By: \_\_\_\_\_

Name:

Title:

[insert address of architect]

Authority's Address:

Housing Authority of the  
County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn: Deputy Executive Director

## SCHEDULE OF UNPAID CLAIMS

Schedule 1 to Assignment of Architectural Agreements and Plans and Specifications dated as of \_\_\_\_\_, 2015 between \_\_\_\_\_, a California nonprofit public benefit corporation as Borrower, and HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, as Authority.

## PROPERTY DESCRIPTION

All that certain real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL A: (APN: 169-100-055-1 AND 169-100-057-3)

PARCEL 2 OF PARCEL MAP NO. 34696, IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 226, PAGES 95 TO 99, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED IN GRANT DEEDS RECORDED APRIL 22, 2008 AS INSTRUMENT NO. 2008-0199763 OF OFFICIAL RECORDS AND SAID PORTIONS AS SHOWN ON PAGES 9 AND 10 AS CONVEYED BY BOOK 137 OF RECORD OF SURVEYS PAGES 99-113, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B: (APN: 169-070-035-1 formerly APN 169-070-003)

THE WESTERLY 4 FEET OF THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED BY METES AND BOUNDS, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT;  
THENCE NORTH ON THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT, CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;  
THENCE EAST ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET;  
THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE OF SAID LOT;  
THENCE WEST ON SAID SOUTH LINE, 165 FEET TO THE POINT OF BEGINNING.

**ATTACHMENT NO. 10**

**NOTICE OF AFFORDABILITY RESTRICTIONS**

[BEHIND THIS PAGE]

OFFICIAL BUSINESS

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Housing Authority of the  
County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn: Mervyn Manalo

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**Notice of Affordability Restrictions on Transfer of Property**

NOTICE IS HEREBY GIVEN that pursuant to Health & Safety Code Section 33334.3(f) as amended effective January 1, 2008, the Housing Authority of the County of Riverside ("Housing Authority") is recording this Notice of Affordability Restrictions on Transfer of Property (hereinafter the "Notice") with regard to the property located at the terminus of Amarillo Street and North of Mission Boulevard, Jurupa Valley, California, known as APNs: 169-100-055, 169-070-035 and 169-100-057, and more particularly described in Exhibit "A" attached hereto and incorporated herein by this notice ("Property").

The Property is subject to the conditions and restrictions contained in that certain Disposition and Development Agreement ("DDA") entered into between the Housing Authority and Habitat for Humanity Riverside, Inc., a California nonprofit public benefit corporation ("Habitat") dated \_\_\_\_\_, 2015 and recorded concurrently herewith in the Official Records of Riverside County ("Official Records"), and that certain Agreement Containing Covenants ("Covenants") entered into between Housing Authority and Habitat dated \_\_\_\_\_ and recorded concurrently herewith in the Official Records pertaining to the Property, which restrict the use of the Property as follows (Note, all capitalized terms used herein shall have the meaning ascribed to such terms in the DDA):

- (1) Habitat, such successors and such assignees shall use the Property for the development thereon and sale thereafter of twenty-six (26) single family homes ("Restricted Units") consisting of the following: (a) eight (8) single family homes

containing 4-bedrooms and a minimum of 1,500 square feet, and (b) eighteen (18) single family homes containing 3-bedrooms and a minimum of 1,300 square feet, with related infrastructure, parking, common areas and open space improvements, all as described in the Scope of Development (Attachment No. 6 to the DDA), as more particularly described in the DDA and Covenants.

- (2) Each of the Restricted Units shall be sold exclusively to qualified Lower Income First Time Homebuyers at an Affordable Housing Cost as provided in California Health and Safety Code Section 50052.5.
- (3) The maximum incomes of eligible Lower Income purchasers shall be as set forth in California Health and Safety Code Section 50079.5 and determined on the basis of the income limits for households in the Riverside-San Bernardino-Ontario Standard Metropolitan Statistical Area, as determined by the U.S. Department of Housing and Urban Development and published approximately annually by the California Department of Housing and Community Development ("Area Median Income"). If the California Department of Housing and Community Development discontinues publishing such income limits, the term "Lower Income" shall mean a household income that does not exceed 80% of the area median income for Riverside County, adjusted for family size.
- (4) An Affordable Housing Cost means, pursuant to California Health and Safety Code Section 50052.5(b)(3), for Lower Income Households the housing cost payments shall not exceed thirty percent (30%) of the gross income of the household times seventy percent (70%) of the Area Median Income as determined by HUD, adjusted for household size appropriate for the Restricted Unit. For purposes of this definition, the phrase "adjusted for household size appropriate for the Restricted Unit" shall mean a household size equal to the number of bedrooms in the Restricted Unit plus one.

The affordability and other restrictions imposed on the Restricted Units by the DDA and Covenants are scheduled to expire on the date that is forty-five (45) years after the sale of a Restricted Unit from Habitat to an eligible Lower Income purchaser.

Habitat for Humanity Riverside, Inc., is the current owner of the Property.

This Notice is recorded for the purpose of providing notice only and it in no way modifies the provisions of the DDA or Covenants.

**[Remainder of Page Intentionally Left Blank]**

**[Signatures on Following Page]**

**AUTHORITY:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity,  
corporate and politic, in its capacity as housing successor to the former  
Redevelopment Agency for the County of Riverside

By: \_\_\_\_\_  
Heidi Marshall,  
Deputy Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:

GREGORY P. PRIAMOS  
COUNTY COUNSEL

By: \_\_\_\_\_  
Jhaila R. Brown, Deputy County Counsel



Insert

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

## Exhibit "A"

All that certain real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL A: (APN: 169-100-055-1 AND 169-100-057-3)

PARCEL 2 OF PARCEL MAP NO. 34696, IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 226, PAGES 95 TO 99, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED IN GRANT DEEDS RECORDED APRIL 22, 2008 AS INSTRUMENT NO. 2008-0199763 OF OFFICIAL RECORDS AND SAID PORTIONS AS SHOWN ON PAGES 9 AND 10 AS CONVEYED BY BOOK 137 OF RECORD OF SURVEYS PAGES 99-113, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT;  
THENCE NORTH ON THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT, CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;  
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THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE OF SAID LOT;  
THENCE WEST ON SAID SOUTH LINE, 165 FEET TO THE POINT OF BEGINNING.

**ATTACHMENT NO. 11**

**AGREEMENT CONTAINING COVENANTS  
(INCLUDING RESALE RESTRICTIONS)**

[BEHIND THIS PAGE]

OFFICIAL BUSINESS  
Document entitled to free  
recording per Government  
Code Section 6103

Recording Requested by and When  
Recorded Return to:

HOUSING AUTHORITY OF  
THE COUNTY OF RIVERSIDE  
5555 Arlington Avenue  
Riverside, California 92504  
Attn: Mervyn Manalo

---

Space above this line for Recorder's use only

AGREEMENT CONTAINING COVENANTS  
(INCLUDING RESALE RESTRICTIONS)

THIS AGREEMENT CONTAINING COVENANTS ("Agreement") is entered into as of \_\_\_\_\_, 2015, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Housing Authority for the County of Riverside (herein referred to as "Authority") and HABITAT FOR HUMANITY RIVERSIDE, INC., a California nonprofit public benefit corporation (herein referred to as "Owner").

A. Owners owns fee title interest to that certain real property (the "Property") located in the City of Jurupa Valley, County of Riverside, State of California, legally described in the "Legal Description" attached hereto as **Exhibit A** and incorporated herein by this reference.

B. Authority and Owner entered into that certain Disposition and Development Agreement ("DDA") dated \_\_\_\_\_ and recorded in the Official Records of the Recorder's Office of the County of Riverside ("Official Records") on \_\_\_\_\_ as Document No. \_\_\_\_\_, relating to, among other things, the sale of the property by the Authority to Owner and the construction thereon of twenty six (26) single family homes ("Units"), with related infrastructure, parking, common areas and certain open space improvements, as more specifically described in the DDA ("Project"). The term "DDA" as used herein shall mean, refer to and include the DDA, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in the DDA. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDA.

C. Pursuant to the DDA, each of the Units shall be sold to and occupied by qualified lower income first time homebuyers, with a preference for veterans, for an affordable sales price that does not exceed an Affordable Housing Cost for a period of no less than forty-five (45) years from the date the Release of Construction Covenants is recorded in the Official Records.

D. Authority and Owner desire to memorialize Owner's obligation to construct and sell the Units, and maintain the affordability thereof, pursuant to the DDA, as more particularly set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner, on behalf of itself and its successors, assigns, and each successor in interest or any part thereof, hereby declares as follows:

1. Development of the Property. Owner covenants and agrees for itself, its successors and assigns and every successor in Owner's interest in the Property or any part thereof, that Owner, its successors and assigns, shall develop and construct, or cause the development and construction, of the Improvements on Property in accordance with the provisions of the DDA, including, but not limited to the Scope of Development (**Attachment No. 6** to the DDA), consisting of twenty (26) new residential single-family units, eight (8) of which shall be 4-bedroom homes with a minimum of 1,500 square feet, and eighteen (18) of which shall be 3-bedroom homes with a minimum of 1,300 square feet (collectively the "Restricted Units"), with related infrastructure, parking, common areas and open space improvements.

2. Use of the Property. Owner, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Property or any part thereof, hereby covenants and agrees as follows:

a. Owner covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that Owner, such successors and such assignees shall use the Property only for the uses specified in the DDA, and this Agreement. No change in the use of the Property shall be permitted without the prior written approval of the Authority.

b. Notwithstanding the generality of subsection (a), above, Owner, its successors and assigns, shall use the Property only for the uses permitted in this Agreement, specifically including the following: residential for sale housing consisting of the Restricted Units, with related infrastructure, parking, common areas and open space improvements.

c. Residential Uses. For a period of forty-five years (45) commencing on the date the Authority records the Release of Construction Covenants for the Improvements in the Official Records ("Covenant Period"), Owner on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Property or any part thereof, hereby covenants and agrees as follows:

(1) Affordability shall be restricted as follows:

A. 100% of the Restricted Units shall be sold to and occupied exclusively by "lower income households" (as that term is defined in Health and Safety Code Section 50079.5) who are "First Time Homebuyers" (as that term is defined in the DDA) for an Affordable Sale Price (including a Down Payment) such that their total housing cost is as follows, for lower income households whose gross incomes exceed the maximum income for very low income households and do not exceed 70% of the area median income adjusted for family size, the product of 30% times 70% of the area median income adjusted for family size appropriate for the unit. In addition,

for any lower income household that has a gross income that equals or exceeds 70% of the area median income adjusted for family size, the housing cost shall not exceed 30% of the gross income of the household. The aforementioned affordability restrictions shall also apply in the event of a resale of a Restricted Unit after an initial sale.

B. As used herein, the term, "area median income" means the median income of the Riverside-San Bernardino-Ontario Standard Metropolitan Statistical Area, adjusted for family size by the United States Department of Housing and Urban Development ("HUD") pursuant to Section 8 of the United States Housing Act of 1937, as determined by HUD and published from time to time by the California Department of Housing and Community Development, and the phrase "adjusted for household size appropriate to the unit" means a household size equal to the number of bedrooms in the unit plus one.

(2) Concurrently with the close of escrow for the initial sale of each Restricted Unit from Owner to a qualified lower income First Time Homebuyer, Owner shall cause such qualified lower income First Time Homebuyer to execute and record in the Official Records (i) an Addendum to Grant Deed substantially conforming in form and substance to Attachment No.5 to the DDA, and (ii) Affordable Housing Resale Restrictions (as defined in the DDA), granting to the Authority, among other things, a first right of refusal in favor of the Authority to the purchased Restricted Unit.

(3) Owner agrees that prior to the sale of the Restricted Units, Owner shall consult with and obtain the approval of the Authority in developing a fair marketing plan for selling the Restricted Units.

(4) Authority and its successors and assigns, shall have the right, but not the obligation, to monitor and enforce the covenants contained herein. Owner covenants that it shall comply with any monitoring program set up by Authority to enforce said covenants. In complying with such monitoring program, Owner or its agent shall prepare and submit to Authority an occupancy report, financial information and income verification documents for each qualified purchaser of Restricted Unit, and all supporting documentation, on forms provided by Owner, setting forth the required information. Authority agrees to accept any form required by any other lender or governmental agency providing similar information. Owner shall pay such costs associated with said monitoring and enforcement efforts as required by the Authority.

(5) No officer, employee, agent, official or consultant of Owner may purchase or occupy any of the Restricted Units.

d. Owner herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that this Agreement is made and accepted upon and subject to the following conditions: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any

such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

e. Owner, its successors and assigns, shall refrain from restricting the rental, sale, or lease of the Property or any portion thereof, on the basis of race, color, creed, religion, sex, sexual orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and contract entered into with respect to the Property, or any portion thereof, after the date of this Agreement shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(1) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(2) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(3) In contracts: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

f. Owner shall adopt written selection policies and criteria that meet the following

requirements:

(1) Are consistent with the purpose of providing housing for lower income households that are first time homebuyers, with a preference for veterans.

(2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the sale.

(3) Provide for:

(A) The selection of tenants from a written waiting list in the chronological order of their satisfaction of all eligibility requirements, insofar as is practicable; and

(B) The prompt written notification to any rejected applicant of the grounds for any rejection;

(4) To the extent permitted by law, provide first priority in the selection of otherwise eligible tenants to persons displaced by the Housing Authority (if any); and

(5) Carry out the affirmative marketing procedures of the Housing Authority, to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area. Owner and Housing Authority shall cooperate to effectuate this provision during the Owner's sale of the Restricted Units.

3. Maintenance of the Property. Owner, its successors and assigns, shall maintain the Improvements on the Property in the same aesthetic and sound condition (or better) as the condition of the Property at the time of Completion, reasonable wear and tear excepted. This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and prompt repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In the event Owner, its successors or assigns fails to maintain the Improvements in accordance with the standard for the quality of maintenance, Housing Authority or its designee shall have the right but not the obligation to enter the Property upon prior written notice to Owner, correct any violation, and hold Owner, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property; provided, however such lien shall be subordinate to any lien in favor of the Owner's lenders permitted pursuant to the DDA. Owner shall have the right to assign its responsibilities pursuant to this Section 3 to the purchasers of the Restricted Units through inclusion of those obligations in the CC&Rs applicable to the Property or otherwise.



4. Management. Until each of the Restricted Units is sold by Owner to a qualified purchaser, Owner shall be responsible for the operation of the Improvements either by direct management or by contracting its managerial functions to a third party property manager reasonably acceptable to the Housing Authority which property manager will be charged with managing the Improvements on behalf of the Owner. The Housing Authority shall have the right to review and approve any such entity prior to its selection by the Owner. Such approval shall not be unreasonably withheld. Owner shall include in any such property management agreement a provision providing for the termination of the agreement in the event that the property manager violates any federal, state or local health and safety laws and regulations which are not cured within thirty (30) days following the giving of notice of such violations by the Housing Authority or any other governmental entity; provided, however, that in the case of a violation that cannot be cured within such thirty (30) day period, that such cure shall be commenced within thirty (30) days of notification and shall be diligently prosecuted to completion not later than sixty (60) days after notification. Owner, its successors and assigns, upon notice from the Housing Authority, shall pay any costs and fees (including administrative and attorneys' fees) incurred by Housing Authority in connection with responding to or defending any discrimination claim brought by any third party and/or local, state or federal government entity, arising out of or in connection with the DDA and/or this Agreement. Once each Restricted Unit is sold to a qualified purchaser, the aforementioned rights in favor of the Authority and obligations of Owner and a property manager, shall be assigned to the homeowners association and shall be included in the CC&Rs applicable to the Property or otherwise.

5. Covenants Running with the Land. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Housing Authority, its successors and assigns, against Owner, its successors and assigns, to or of Owner's interest in the Property, or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof. Housing Authority shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both for and in its own right and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of the Housing Authority, without regard to whether the Housing Authority has been, remains, or is an owner of any land or interest therein in the Property. Except as provided in the preceding sentence, the covenants, conditions and restrictions contained in this Agreement shall not benefit nor be enforceable by any other owner of real property except the Housing Authority.

6. Permitted Mortgages. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any mortgage permitted by the DDA.

7. Term. Every covenant and condition and restriction contained in this Agreement shall remain in effect for the Covenant Period, except for the non-discrimination provisions set forth in Section 2.d. and 2.e. which shall remain in effect in perpetuity.

8. Notice and Opportunity to Cure. Prior to exercising any remedies hereunder, Housing Authority shall give Owner notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Owner shall have such period to effect a cure prior to exercise of remedies by Housing Authority. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Owner (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Housing Authority, but in no event no more than sixty (60) days of receipt of such notice of default from the Housing Authority. If Owner fails to take corrective action or to cure the default within a reasonable time, Housing Authority shall give Owner and Owner's lenders written notice thereof, provided Housing Authority receives in writing the aforementioned parties addresses for purposes of notice, whereupon Owner's lender may effect a cure within a reasonable time thereafter in accordance with the foregoing provisions.

9. Enforcement. If a violation of any of the covenants or provisions of this Agreement remains uncured after the respective time period set forth in Section 9 above, Housing Authority and its successors and assigns, without regard to whether Housing Authority or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by Owner of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

10. Liens. Nothing herein contained shall be deemed to prohibit Owner from contesting the validity or amounts of any encumbrance, lien, levy or attachment, nor to limit the remedies available to Owner in respect thereto.

11. Sale, Assignment or Transfer of the Project or Property. Except for the sale of a Restricted Unit to a qualified purchaser as permitted in the DDA, Owner hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Project, the Property or any portion thereof, without obtaining the prior written consent of the Authority, in its reasonable discretion. Any sale, assignment, or transfer of the Project or Property, shall be memorialized in an assignment and assumption agreement the form and substance of which have been first approved in writing by the Authority in its sole discretion. Such assignment and assumption agreement shall, among other things, provide that the transferee has assumed in writing and in full, and is reasonably capable of performing and complying with Owner's duties and obligations under the DDA, provided, however Owner shall not be released of all obligations under the DDA and this Agreement.

12. Governing Law; Venue; Severability. This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

13. Binding Effect. The rights and obligations of this Agreement shall bind and inure to the benefit of the respective heirs, successors and assigns of the parties.

14. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original Agreement.

[REMAINDER OF PAGE BLANK]

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Authority and Owner have signed this Agreement as of the dates set opposite their signatures.

**AUTHORITY:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside

By: \_\_\_\_\_  
Heidi Marshall, Deputy Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:

GREGORY P. PRIAMOS  
COUNTY COUNSEL

By: \_\_\_\_\_  
Jhaila R. Brown, Deputy County Counsel

**OWNER:**

HABITAT FOR HUMANITY RIVERSIDE, County of Riverside, a California non-profit public benefit corporation

By: \_\_\_\_\_  
Kathy M. Michalak, Executive Director

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Nicholas D. Adcock, Treasurer

Date: \_\_\_\_\_

Insert

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

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THE WESTERLY 4 FEET OF THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED BY METES AND BOUNDS, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT;  
THENCE NORTH ON THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT, CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;  
THENCE EAST ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET;  
THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE OF SAID LOT;  
THENCE WEST ON SAID SOUTH LINE, 165 FEET TO THE POINT OF BEGINNING.

**ATTACHMENT NO. 13**  
**REQUEST FOR NOTICE**  
**[BEHIND THIS PAGE]**

Recording Requested By:  
RIVERSIDE COUNTY

AND WHEN RECORDED MAIL TO

Riverside County  
Economic Development Agency  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn: DS NAME / Housing Division  
Loan Number: NSP1-file no.

EXEMPT RECORDING FEE CODE 6103

**REQUEST for NOTICE  
UNDER SECTION 2924b CIVIL CODE**

In accordance with Civil Code, section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated <date the senior lien holder DOT recorded> and recorded as Instrument No. <Senior lien holder DOT recorded instrument number> in book xxxxxx, page xxxxx, Official Records of RIVERSIDE County, California, and describing land therein as:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A"

APN: PARCEL NO. Property also known as: PROPERTY ADDRESS

Executed by <INSERT BUYER'S NAMES, INSERT VESTING>, as trustor in which <First lender name> is named as Beneficiary, and <First Deed of Trust/Senior lien holder TRUSTEE>, as Trustee, be mailed to Riverside County Economic Development Agency -Neighborhood Stabilization Program 1 Homebuyer at 5555 Arlington Avenue, Riverside, CA 92504.

**NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.**

Dated \_\_\_\_\_  
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**  
STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE } S.S.  
On \_\_\_\_\_ before me,  
\_\_\_\_\_ a Notary Public,  
personally appeared \_\_\_\_\_ who proved  
to me on the basis of satisfactory evidence to be the person(s) whose  
name(s) is/are subscribed to the within instrument and acknowledged to  
me that he/she/they executed the same in his/her/their authorized  
capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.  
I certify under PENALTY OF PERJURY under the laws of the State of  
California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal  
Signature \_\_\_\_\_

RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY

Tom Fan/Principal Development Specialist

(This area for official notarial seal)

Loan No. FILE NO



**ATTACHMENT NO. 14**  
**ESCROW AGREEMENT**  
[BEHIND THIS PAGE]

## ESCROW AGREEMENT

(Jurupa Valley Enriched Veterans Neighborhood Project)

THIS ESCROW AGREEMENT ("Agreement") is entered into on \_\_\_\_\_, 2015 by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside (hereinafter called the "**Authority**") and HABITAT FOR HUMANITY RIVERSIDE, INC., a California nonprofit public benefit corporation (hereinafter called "**Developer**"). Authority and Developer are collectively referred to herein as the "Parties" and individually as "Party."

### RECITALS

WHEREAS, Authority is a California housing authority acting under the California Housing Authorities Law, Part 2 of Division 24 of the Health and Safety Code (the "Housing Authorities Law");

WHEREAS, Authority owns fee title to the subject property located 420 feet north of Mission Boulevard at the terminus of Amarillo Street with Assessor's Parcel Numbers 169-100-055, 169-100-057 and 169-070-035, which consists of approximately 5.6 acres as described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference ("Property");

WHEREAS, Authority desires to convey the Property to Developer for the purpose of developing and constructing 26 single-family homes, which shall be affordable to Lower Income First Time Homebuyers ("Project") as more particularly set forth in the Disposition and Development Agreement ("DDA"). All capitalized terms not defined herein shall have the meaning ascribed to such term set forth in the DDA; and

WHEREAS, in connection with the DDA of the Property by Authority to Developer, the Parties desire to set forth the escrow terms relating to such sale, as more specifically discussed below.

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Escrow.**

Developer agrees to open an escrow for the conveyance of the Property with Title Company or such other escrow company, escrow department of a bank, or escrow department of a title insurance company first approved by Authority and Developer (the "Escrow Agent"), no later than the applicable dates established in the Schedule of Performance (Attachment No. 3 to the DDA).

This Agreement shall constitute the joint escrow instructions of Developer and Authority with respect to the conveyance of the Property, and a duplicate original of this Agreement and the executed DDA shall be delivered to the Escrow Agent upon the opening of the escrow.

Authority and Developer shall provide such additional escrow instructions as shall be necessary to close the escrow with respect to the conveyance of the Property, and consistent with this Agreement and the DDA. The Escrow Agent hereby is empowered to act under such instructions,

and upon indicating its acceptance thereof in writing, delivered to Authority and to Developer within five (5) days after the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

Upon receipt by the Escrow Agent of all executed and acknowledged documents, as required by this Agreement and the DDA, the Escrow Agent shall record all documents in accordance with Section 3 below, when the Property can be vested in Developer in accordance with the terms and provisions of the DDA. The Escrow Agent shall buy, affix and cancel any transfer stamps required by law. Any insurance policies governing the Property or any portion thereof are not to be transferred.

Developer shall pay in escrow to the Escrow Agent the following fees, charges and costs promptly after the Escrow Agent has notified Developer of the amount of such fees, charges and costs, but not earlier than one (1) day prior to the Closing Date (as defined in the DDA) for conveyance of the Property from the Authority to Developer:

1. Escrow fees;
2. Recording fees;
3. Notary fees;
4. Premiums for the title insurance policy or policies ordered by Developer;
5. Ad valorem taxes and any other taxes, assessments or impositions of any kind, if any, attributable to Authority's ownership of the Property prior to conveyance of the Property; and
6. State, county, city or other documentary stamps and transfer taxes, if any.

The Escrow Agent is authorized to:

1. Pay, and charge Developer, for any fees, charges and costs payable under this Section 1. Before such payments are made, the Escrow Agent shall notify Authority and Developer of the fees, charges and costs necessary to clear title and convey the Property;
2. Disburse funds and deliver the DDA and other documents to the parties entitled thereto when the conditions of the escrow have been fulfilled by Authority and Developer; and
3. Record any instruments delivered through the escrow if necessary or proper to vest the applicable interests in Developer and Authority in accordance with the terms and provisions of this Agreement and the DDA.

All funds received in the escrow shall be deposited by the Escrow Agent in an interest bearing account for the benefit of the depositing party as directed by the depositing party.

If any escrow is not in condition to close on or before the closing date, either party who then shall have fully performed the acts to be performed before the closing date may, in writing, demand the return of its money, papers or documents. No demand for return shall be recognized until ten (10) days after the Escrow Agent shall have mailed copies of such demand to the other party at the address of its principal place of business. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other party within the ten- (10) day period. If any objections are raised within the ten- (10) day period, the Escrow Agent is authorized to hold the money, paper and documents until instructed by mutual agreement of the parties or, upon failure thereof, by a court of

competent jurisdiction. Notwithstanding the foregoing, the termination rights of Authority and Developer and other rights and remedies on default are governed by the termination and default terms of the DDA, and no demand for such return shall affect such rights or remedies. If no such demands are made, the escrow shall be closed as soon as possible.

The Escrow Agent shall not be obligated to return any such money, papers or documents except upon the written instructions of both Authority and Developer affected thereby, or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

Any amendments to these escrow instructions shall be in writing and signed by both Authority and Developer. At the time of any amendment the Escrow Agent shall agree to carry out its duties as escrow agent under such amendment.

All communications from the Escrow Agent to Authority or Developer shall be directed to the addresses and in the manner established in Section 17.6 of the DDA for notices, demands and communications between Authority and Developer.

The liability of the Escrow Agent under this Agreement and the DDA is limited to performance of the obligations imposed upon it in this Agreement.

2. **Title Insurance.**

Concurrently with the recordation of the DDA, Title Company shall provide and deliver to Developer a Title Insurance Policy (as defined in the DDA), issued by the Title Company insuring that the Property interest to be conveyed is vested in Developer in the condition required by Section 2.2.3 of the DDA ("Property Title Policy"). The Title Company shall provide Authority with a copy of the Property Title Policy. The Property Title Policy shall be in the amount specified by Developer. Developer shall pay for all premiums for all title insurance policies and coverage and special endorsements with respect to the Property.

3. **Recordation of Documents.**

Authority and Developer, respectively, agree to perform all acts necessary to achieve recordation and delivery of documents in sufficient time for escrow to be closed in accordance with the foregoing provisions.

a. The following documents shall be recorded in the following order ("Recorded Documents"):

<b>Order of Recordation</b>	<b>Document Name</b>
1 <sup>st</sup>	Agreement Containing Covenants
2 <sup>nd</sup>	Notice of Affordability Restrictions
3 <sup>rd</sup>	Senior Loan Security Instruments
4 <sup>th</sup>	Junior Loan Security Instruments

b. All documents to be recorded shall be recorded in the Official Records of the County of Riverside.

c. In the event that Developer subdivides the Property estate into a vertical subdivision, the Recorded Documents shall be recorded against each parcel that comprises the vertical subdivision in the same order as set forth under subsection (a), above.

[Remainder of page Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**AUTHORITY:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside

By: \_\_\_\_\_  
Heidi Marshall, Deputy Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:

GREGORY P. PRIAMOS  
COUNTY COUNSEL

By: \_\_\_\_\_  
Jhaila R. Brown, Deputy County Counsel

**DEVELOPER:**

HABITAT FOR HUMANITY RIVERSIDE, County of Riverside, a California non-profit public benefit corporation

By: \_\_\_\_\_  
Kathy M. Michalak, Executive Director

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Nicholas D. Adcock, Treasurer

Date: \_\_\_\_\_

**ATTACHMENT NO. 16**

**RIGHT OF ENTRY**

**[BEHIND THIS PAGE]**

## RIGHT OF ENTRY AGREEMENT

This Right of Entry ("ROE") Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body, corporate and politic in the State of California, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside, hereinafter called "Authority," and HABITAT FOR HUMANITY RIVERSIDE, INC., a California nonprofit public benefit corporation, hereinafter called "Developer." Authority and Developer are sometimes collectively referred to as "Parties."

### RECITALS

A. Authority is the owner of certain real property described in the area detail sheets in Exhibit "A" attached hereto and incorporated herein by reference ("Property") and has the right to grant to Developer permission to enter upon and use the Property.

B. Developer desires to obtain Authority's permission to enter upon and use the Property, on a temporary basis, for predevelopment work on the Authority's Property.

C. Authority desires to accommodate Developer's request for permission to enter upon Authority's Property, on a temporary basis, for predevelopment work on the Authority's Property.

NOW, THEREFORE, County and Developer do hereby agree as follows:

### AGREEMENT

1. Right of Entry. Authority hereby grants to Developer and its agents, employees and contractors the temporary right to enter onto the Property for predevelopment work.

2. Term. The term of this Right of Entry shall commence on the date this ROE Agreement is executed by all Parties hereto ("Effective Date"). This ROE shall terminate two (2) years from the Effective Date of this Agreement. The term may be extended by written notice to Developer in the sole and absolute discretion of Authority. This ROE is subordinate to all prior or future rights and obligations of Authority in the Property, except that Authority shall

grant no rights inconsistent with the reasonable exercise by Developer of its rights under this ROE.

3. Reserved

4. Notice of work. Prior to any entry upon the Property for any of the purposes hereinabove set forth, Developer shall notify the authorities in charge named below by written and/or oral notice at least twenty-four (24) hours prior to commencement of entry and work.

Name: Mervyn Manalo  
Address: 5555 Arlington Avenue, Riverside, CA 92504  
Phone: (951) 343-5495  
Email: mmanalo@rivcoeda.org

5. Liens. Developer shall not permit to be placed against the Property, or any part thereof, any design professionals', mechanics', material man's contractors' or subcontractors' liens with the regard to Developer's actions upon the Property. Developer agrees to hold Authority harmless for any loss or expense, including reasonable attorneys' fee, arising from any such liens which might be file against the Property.

6. Indemnification. Developer shall indemnify and hold harmless the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any act or omission of Developer, its officers, employees, contractors, subcontractors, agents or representatives arising out of or in any way relating to or in any way connected with Developer's use of the premises or this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever. Developer shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Authority, County of Riverside, its



Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions. The obligations set forth in this paragraph shall survive the termination of this agreement.

With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of Authority; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification to Authority as set forth herein.

Developer's obligation hereunder shall be satisfied when Developer has provided to Authority the appropriate form of dismissal relieving Authority from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe Developer's obligations to indemnify and hold harmless the Authority herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve Developer from indemnifying the Authority to the fullest extent allowed by law.

7. Insurance. Without limiting or diminishing Developer's obligation to indemnify or hold the Authority harmless, Developer shall procure and maintain or cause to be procured and maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. In respects to the insurance section, the Authority herein refers to the Housing Authority of the County of Riverside, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives as Additional Insureds.

7.1 Workers' Compensation. If Developer has employees as defined by the

State of California, Developer shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside.

7.2 Commercial General Liability. Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of Developer's performance of its obligations hereunder. Policy shall name the County as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

7.3 Vehicle Liability. If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then Developer shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County as Additional Insureds.

7.4 General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the Authority Risk Manager. If the Authority's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) Developer must declare its insurance self-insured retention for

each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the Authority Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the Authority, and at the election of the Country's Risk Manager, Developer's carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the Authority, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) Developer shall cause Developer's insurance carrier(s) to furnish the Authority with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the Authority Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the Authority prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the Authority receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *Developer shall not commence operations until the Authority has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so, on its behalf, shall sign the original endorsements for each policy and the Certificate of Insurance.*

4) It is understood and agreed to by the parties hereto that

Developer's insurance shall be construed as primary insurance, and the Authority's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of the Agreement; or, there is a material change in the scope of entry or permitted activities under this Agreement; or, the term of this Agreement, including any extensions thereof, exceeding five (5) years; the Authority reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the Authority Risk Manager's reasonable judgment, the amount or type of insurance carried by Developer has become inadequate.

6) Developer shall pass down the insurance obligations contained herein to all tiers of contractors and subcontractors working under this Agreement.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the Authority.

8) Developer agrees to notify Authority of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

8. Compliance with Laws. Developer shall, in all activities undertaken pursuant to this ROE, comply and cause its contractors, agents, and employees to comply with all federal, state, and local laws, statutes, orders, ordinances, rules, regulations, plans, policies, and decrees. Without limiting the generality of the foregoing, Developer, at its sole cost and expense, shall obtain any and all permits which may be required by any law, regulation or ordinance for any activities Developer desires to conduct or have conducted pursuant to this ROE.

9. Inspection. Authority and its representatives, employees, agents or independent contractors may enter and inspect the Property or any portion thereof or any improvements thereon at any time and from time to time at reasonable times to verify Developer's compliance

with the terms and conditions of this ROE.

10. Not Real Property Interest. It is expressly understood that this ROE is not exclusive and does not in any way whatsoever grant or convey any permanent easement, lease, fee or other real property interest in the Property to Developer.

11. Protection and Restoration of the Property. Developer shall protect the Property, including all improvements and the natural resources thereon, at all times at Developer's sole cost and expense, and Developer shall strictly adhere to the following restrictions:

11.1 Developer may not place or dump garbage, trash or refuse anywhere upon or within the Property, except for self-contained trash receptacles that are maintained to Authority's satisfaction by Developer;

11.2 Developer may not commit or create, or suffer to be committed or created, any waste, hazardous condition and/or nuisance to occur upon the Property;

11.3 Developer may not cut, prune or remove any native trees or brush upon the Property, except for the elimination of safety hazards without first obtaining written permission by the Authority;

11.4 Developer may not disturb, move or remove any rocks or boulders upon the Property except for the elimination of safety hazards without first obtaining written permission by the Authority;

11.5 Developer must exercise due diligence in the protection of the Property against damage or destruction by fire, vandalism or other cause.

Upon the termination or revocation of this ROE, but before its relinquishment to Authority, Developer shall, at its own cost and expense, remove any debris generated by its use and Property shall be left in a neat condition. Developer agrees not to damage Property in the process of performing the permitted activities.

12. Public safety. Developer shall, or cause its contractors or subcontractors to take any and all other necessary and reasonable steps to protect the public from harm due to the work.

13. Entire agreement. This ROE Agreement is the result of negotiations between the Parties hereto. The Parties further declare and represent that no inducement, promise or agreement not herein expressed has been made to them and this ROE contains the entire agreement of the Parties, and that the terms of this agreement are contractual and not a mere recital. Any ambiguity in the Agreement or any of its provisions shall not be interpreted against the Party drafting the agreement.

14. Warranty of Authority. The undersigned represents that it has the authority to, and does, bind the person or entity on whose behalf and for whom it is signing this ROE and the attendant documents provided for herein, and this agreement and said additional documents are, accordingly, binding on said person or entity.

15. Assignment. This ROE shall not, nor shall any interest herein be assigned, mortgaged, hypothecated, or transferred by Developer, whether voluntary or involuntary or by operation of law, nor shall Developer let or sublet or grant any license of permit with respect to the use and occupancy of the Property or any portion thereof.

16. Choice of Law. This Right of Entry Agreement will be governed and construed by the laws of the State of California.

17. Modification. The agreement shall not be changed, modified, or amended except upon the written consent of the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Right of Entry Agreement on the date as first above written.

**AUTHORITY:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside

By: \_\_\_\_\_  
Heidi Marshall, Deputy Executive Director

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

GREGORY P. PRIAMOS  
COUNTY COUNSEL

By: \_\_\_\_\_  
Jhaila R. Brown, Deputy County Counsel

**DEVELOPER:**

HABITAT FOR HUMANITY RIVERSIDE, County of Riverside, a California non-profit public benefit corporation

By: \_\_\_\_\_  
Kathy M. Michalak, Executive Director

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Nicholas D. Adcock, Treasurer

Date: \_\_\_\_\_

**EXHIBIT A**

DESCRIPTION/DEPICTION OF THE PROPERTIES

[ON FOLLOWING PAGES]



## LEGAL DESCRIPTION

All that certain real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL A: (APN: 169-100-055-1 AND 169-100-057-3)

PARCEL 2 OF PARCEL MAP NO. 34696, IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 226, PAGES 95 TO 99, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

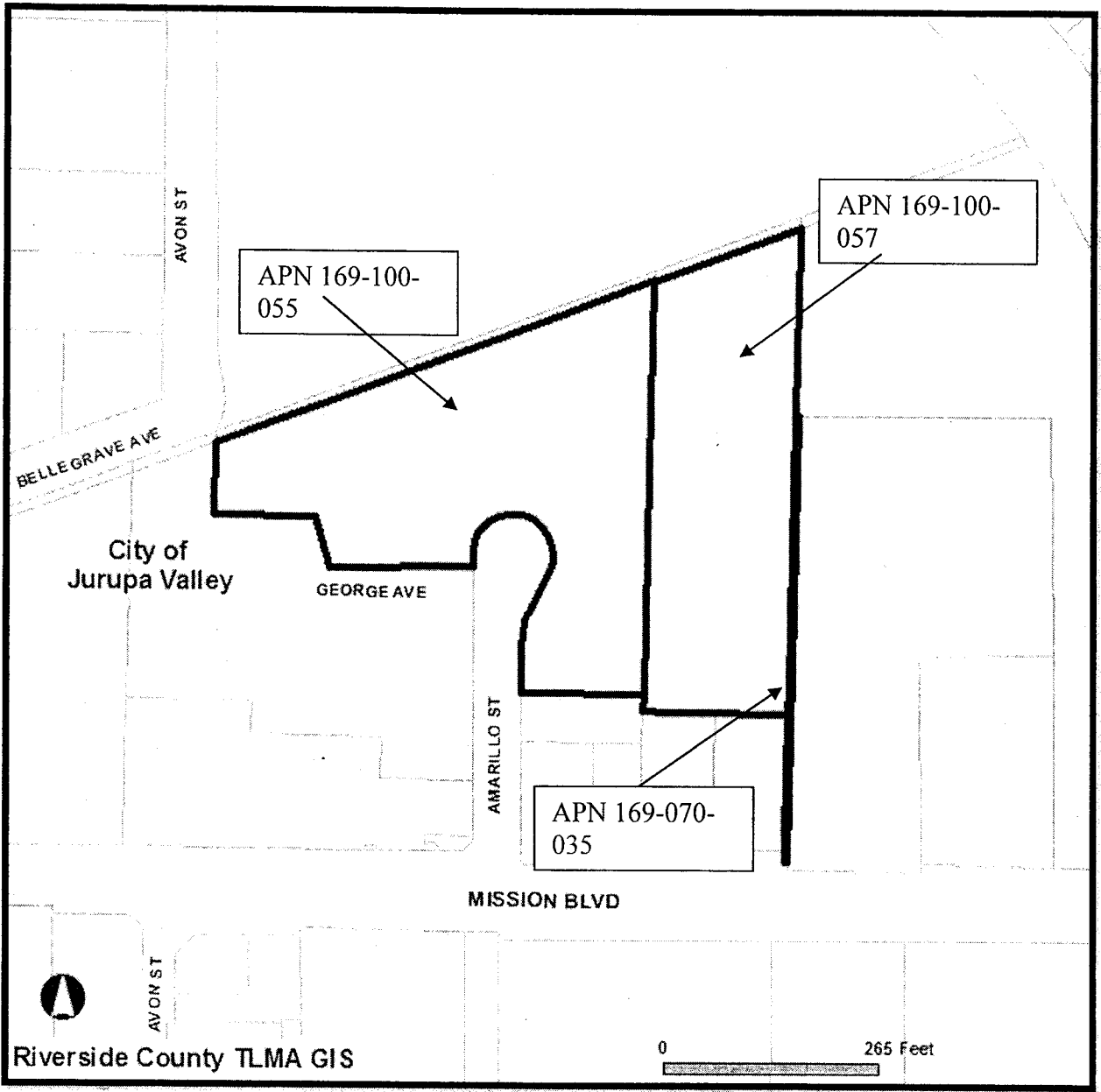
EXCEPTING THEREFROM THOSE PORTIONS CONVEYED IN GRANT DEEDS RECORDED APRIL 22, 2008 AS INSTRUMENT NO. 2008-0199763 OF OFFICIAL RECORDS AND SAID PORTIONS AS SHOWN ON PAGES 9 AND 10 AS CONVEYED BY BOOK 137 OF RECORD OF SURVEYS PAGES 99-113, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B: (APN: 169-070-035-1 formerly APN 169-070-003)

THE WESTERLY 4 FEET OF THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED BY METES AND BOUNDS, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT;  
THENCE NORTH ON THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT, CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;  
THENCE EAST ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET;  
THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE OF SAID LOT;  
THENCE WEST ON SAID SOUTH LINE, 165 FEET TO THE POINT OF BEGINNING.

Property  
Site Map  
APNs: 169-100-055, 169-100-057 and 169-070-035  
Acres: 5.6



**ATTACHMENT NO. 17**

**FORM OF RELEASE OF CONSTRUCTION COVENANTS**

[BEHIND THIS PAGE]

OFFICIAL BUSINESS

Document entitled to free recording  
per Government Code Section 6103

Recording Requested By and  
When Recorded Mail to:

Housing Authority of the  
County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn: Mervyn Manalo

Attention:

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**RELEASE OF CONSTRUCTION COVENANTS  
(Jurupa Valley Enriched Veterans Neighborhood Project)**

WHEREAS, the Housing Authority of the County of Riverside, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside ("Authority") has entered into an Disposition and Development Agreement with Habitat for Humanity Riverside, Inc., a California nonprofit public benefit corporation ("Developer") dated \_\_\_\_\_, 2015 and recorded in the Official Records of the Recorder's Office of the County of Riverside on \_\_\_\_\_ as Document No. \_\_\_\_\_ ("DDA") relating to the sale of certain real property in the City of Jurupa Valley, County of Riverside and State of California described as set forth in Exhibit "A" attached hereto and incorporated herein by this reference ("Property"), for the specific purpose of constructing and developing certain improvements on the Property (the "Project") in accordance with the terms and conditions contained in the DDA. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the DDA;

WHEREAS, pursuant to the DDA, upon the completion of the Improvements (as defined in the DDA) and the request of the Developer, the Authority is required to issue for recordation a Release of Construction Covenants ("Release") acknowledging the completion of the construction and development required by the DDA relating to the Improvements, releasing certain obligations and rights of the Developer and the Authority set forth in the DDA;

WHEREAS, the Developer has completed the construction and development required by the DDA relating to the Property as required by the DDA and has requested that the Authority issue the Release; and

WHEREAS, Authority has inspected and determined that the construction and development required by the DDA relating to the Property has been satisfactorily completed and now desires to issue the Release pursuant to the terms and conditions of the DDA.

NOW THEREFORE, it is hereby acknowledged and certified by the Authority that:

1. The construction and development of the Property is in substantial compliance with the plans, drawings and related documents referred to in the DDA.
2. The Developer is in full compliance with the terms of Section 3.22 of the DDA.
3. All Authority rights pursuant to Section 5.9 (a) of the DDA providing the Authority the right to terminate the DDA in the event of an uncured default prior to completion of the Improvements are no longer enforceable or binding against the Developer and/or its successors and assigns.
4. The issuance and recording of this Release shall cancel and release any rights, remedies or controls that the parties would otherwise have or be entitled to exercise under the DDA with respect to the Property as a result of a default in or breach of any provision thereof prior to completion of the construction and development of the Property, and the respective rights and obligations of the parties with reference to the Property (or any portion thereof) shall thereafter be limited to those provided by the terms of the DDA, Agreement Containing Covenants, Grant Deed, and any other documents and/or instruments executed by Developer and Authority that survive the issuance and recordation of this Release.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the Authority has executed this Release this \_\_\_\_ day of

**AUTHORITY:**

HOUSING AUTHORITY OF THE COUNTY  
OF RIVERSIDE, a public entity, corporate and  
politic, in its capacity as housing successor to the  
former Redevelopment Agency for the County  
of Riverside

By: \_\_\_\_\_  
Heidi Marshall, Deputy Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:

GREGORY P. PRIAMOS  
COUNTY COUNSEL

By: \_\_\_\_\_  
Jhaila R. Brown, Deputy County Counsel

EXHIBIT A  
LEGAL DESCRIPTION OF THE PROPERTY

All that certain real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL A: (APN: 169-100-055-1 AND 169-100-057-3)

PARCEL 2 OF PARCEL MAP NO. 34696, IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 226, PAGES 95 TO 99, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED IN GRANT DEEDS RECORDED APRIL 22, 2008 AS INSTRUMENT NO. 2008-0199763 OF OFFICIAL RECORDS AND SAID PORTIONS AS SHOWN ON PAGES 9 AND 10 AS CONVEYED BY BOOK 137 OF RECORD OF SURVEYS PAGES 99-113, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B: (APN: 169-070-035-1 formerly APN 169-070-003)

THE WESTERLY 4 FEET OF THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED BY METES AND BOUNDS, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT;  
THENCE NORTH ON THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT, CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;  
THENCE EAST ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET;  
THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE OF SAID LOT;  
THENCE WEST ON SAID SOUTH LINE, 165 FEET TO THE POINT OF BEGINNING.

Insert

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**



**Summary Report Pursuant To  
California Health and Safety Code Section 33433  
On A Disposition and Development Agreement  
By and Between  
The Housing Authority of the County of Riverside County  
and  
Habitat for Humanity Riverside, Inc.**

The following Summary Report has been prepared pursuant to California Health and Safety Code Section 33433 ("Section 33433"). The Summary Report sets forth certain details of the proposed Disposition and Development Agreement ("Agreement") between the Housing Authority of the County of Riverside ("Housing Authority") and Habitat for Humanity Riverside, Inc. ("Habitat"). After satisfaction of certain conditions precedent, the Agreement requires the Housing Authority to convey to Habitat approximately 5.3 acres of residentially zoned vacant real property located on the north side of Mission Boulevard, at the terminus of Amarillo Street, in the City of Jurupa Valley identified as Assessor's Parcel Numbers 169-100-055, 169-100-057 and 169-070-035 ("Site") for the development and construction thereon of 26 for sale single-family homes to be sold to and occupied by lower income households whose incomes do not exceed 80% percent of the County area median income, adjusted for family size, as defined by California Health and Safety Code Section 50079.5, with related infrastructure, parking, common areas and open space (collectively, the "Project"). A copy of the proposed Agreement is attached hereto as Attachment C.

The Housing Authority is a California housing authority acting under the California Housing Authorities Law, Part 2 of Division 24 of the Health and Safety Code (the "Housing Authorities Law").

Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 ("Dissolution Act"), added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the "CRL"). The Redevelopment Agency for the County of Riverside ("RDA") was dissolved on February 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173. Pursuant to Health and Safety Code Section 34176 (a), and Housing Authority Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the successor agency) were transferred to the Housing Authority. As such, the Housing Authority now owns the Site.

The proposed conveyance of the Site for development to Habitat is subject to the reporting requirements imposed by Section 33433. Section 33433 requires the conveying entity to prepare a report that summarizes the following information in connection with the disposition and development transaction for the Site:

- (i) The cost of the agreement to the agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected

interest on any loans or bonds to finance the agreements.

(ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the plan.

(iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation of the reasons for the difference.

(iv) An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

It is the intent of this Summary Report to meet all of the Section 33433 requirements and provide the required information and data. This Summary Report is based upon the information contained within the Agreement, and is organized into the following seven sections:

1. **Salient Points of the Agreement:** This section summarizes the major responsibilities imposed on the Housing Authority and Habitat in the Agreement.
2. **Cost of the Agreement to the Housing Authority:** This section details the total cost to the Housing Authority associated with implementing the Agreement.
3. **Estimated Value of the Interests to be Conveyed Determined at the Highest Use Permitted Under the Existing Zoning:** This section estimates the value of the interest to be conveyed determined at the highest use permitted under the Site's existing zoning.
4. **Estimated Reuse Value of the Interests to be Conveyed:** This section summarizes the valuation estimate for the Site based on the required scope of development, and the other conditions and covenants required by the Agreement.
5. **Consideration Received and Comparison with the Established Value:** This section describes the compensation to be received by the Housing Authority, and explains any difference between the compensation to be received and the established value of the Site.
6. **Blight Elimination:** This section describes the existing blighting conditions on the Site, and explains how the Agreement will assist in alleviating the blighting influence.
7. **Conformance with the AB 1290 Implementation Plan:** This section describes how the Agreement achieves the goals identified in the adopted AB 1290 Implementation Plan for the Jurupa Valley Project Area.

## **1. SALIENT POINTS OF THE AGREEMENT**

### **Description of the Site and Project**

The property to be conveyed by the Housing Authority to Habitat is approximately 5.3 acres of residentially zoned vacant land owned by the Housing Authority located 420 feet north of Mission Boulevard at the terminus of Amarillo Street in the City of Jurupa Valley County of Riverside identified as Assessor's Parcel Numbers (APN) 169-100-055, 169-100-057 and 169-070-035, legally described in **Exhibit A** attached hereto and incorporated herein by this reference ("Site"). The Site is depicted on the Site Map attached hereto as **Exhibit B** and incorporated herein by this reference.

The Site was assembled by the former RDA from groups of parcels acquired over the years. On February 27, 2001, the former RDA Board of Directors adopted Resolution No. 2001-002 authorizing the purchase of nine parcels of approximately 5.32 acres for \$525,000 plus escrow fees. Of the 5.32 acres, 3.24 acres (APN 169-100-055) is incorporated into the Site. On December 7, 2004, the former RDA Board of Directors adopted Resolution No. 2001-002 to purchase two parcels of approximately 5.5 acres (APN 169-100-057) for \$320,000 plus escrow fees. Of the 5.5 acres, 2.27 acres is incorporated into the Site. On January 31, 2011, a 0.05 acre 4 foot strip of land (APN 169-070-035) was acquired for \$7,428 for incorporation into the Site. The Site consists of approximately 5.3 acres. Pursuant to the Dissolution Act, the Site was transferred by the Successor Agency to the former RDA to the Housing Authority pursuant to the Housing Asset Transfer list approved by the California Department of Finance on February 15, 2013.

The former RDA acquired the property primarily for the purpose of carrying out its obligation to eliminate blight and for future development. When the Site was purchased by the former RDA, the Site consisted of vacant land. Due to the elimination of redevelopment in California, and the lack of available financing to construct affordable housing on the Site, the Housing Authority determined that the best use for the Site would be to enter into a disposition and development agreement requiring the development of affordable for sale single-family housing.

### **Scope of Development**

The proposed scope of development includes the development and construction on the Site of 26 new residential single-family units, 8 of which shall be 4 bedrooms and a minimum of 1,500 square feet, and 18 of which shall be 3 bedrooms and a minimum of 1,300 square feet (Units), with related infrastructure, parking, common areas and open space improvements, and the sale of the Units to qualified Lower Income First Time Homebuyers for an affordable sales price ("Project"). Residents and families of the enriched neighborhood Project will have an opportunity to benefit from a number of classes and services provided by non-profit and social service partnerships including, but not limited to, financial management, budgeting, home repair, home maintenance, veteran counseling, nutrition, gardening, computer training, employee training, workforce development, tutoring and higher education training.

The term "Lower Income" used herein shall have the meaning set forth in Health and Safety Code Section 50079.5 (i.e., 80 percent (80%) of area median income, adjusted for family size).

The term "First Time Homebuyer" used herein shall mean an individual and his or her spouse who have not owned a home during the three (3)-year period immediately preceding the purchase of the Unit, except that an individual may not be excluded from consideration as a First Time Homebuyer on the basis that the individual owns or owned, as a principal residence during the 3-year period immediately preceding the purchase of the Unit, a dwelling unit whose structure is not permanently affixed to a permanent foundation in accordance with local or other applicable regulations.

### **Habitat Responsibilities**

The Agreement requires Habitat to accept the following responsibilities:

1. Habitat must accept conveyance of the Site in an "as-is" condition.
2. Habitat shall pay to the Housing Authority \$1 to purchase the Site, subject to the development obligations and sale and occupancy restrictions set forth in the proposed Agreement.
3. Habitat shall pay all escrow fees.
4. Habitat shall reserve all Units constructed on the Site for Lower Income households whose incomes do not exceed 80% percent of the County area median income, adjusted for family size, as defined by California Health and Safety Code Section 50079.5.
5. Habitat shall develop the Site pursuant to the Scope of Development attached to the Agreement.
6. Habitat is responsible for obtaining all necessary entitlements to carry out the entire Scope of Development.
7. Habitat shall cause all Units to be sold to and occupied by income qualified Lower Income households by causing affordable housing re-sale restrictions and a Grant Deed Addendum, attached to the Agreement, to be recorded against each Unit. The Units shall remain restricted for a period of no less than 45 years.
8. Habitat must secure all financing pursuant to the Agreement and the Schedule of Performance attached to the Agreement.

### **Housing Authority Responsibilities**

In consideration for Habitat's promises, covenants and obligations set forth in the proposed Agreement, the Agreement requires the Housing Authority to convey the Site to Habitat for the purchase price of \$1, subject to Habitat's satisfactions of the terms and conditions set forth therein.

#### **2. COST OF THE AGREEMENT TO THE FORMER RDA AND THE HOUSING AUTHORITY**

The cost of acquiring the Site borne by the former RDA is approximately \$459,238. Such cost includes estimated land value based on appraisals conducted in the surrounding area, consideration paid for land, consulting fees, appraisal costs, title expenses and various other costs and expenses. The foregoing figure relating to the cost of the Agreement is an estimated amount and does not include either an allocation of interest or an allocation of the cost of staff time expended on the acquisition of the Site.

**Costs Incurred**

**Land Acquisition**

$$\text{APN 169-100-055} \quad \frac{\$525,000}{5.32 \text{ acres}} = \frac{A}{3.24 \text{ acres}} \quad A = \$ 319,737$$

$$\text{APN 169-100-057} \quad \frac{\$320,000}{5.5 \text{ acres}} = \frac{B}{2.27 \text{ acres}} \quad B = \$132,073$$

$$\text{APN 169-070-035} \quad C = \$7,428$$

Site acquisition cost (A + B + C) = \$459,238

**3. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE EXISTING ZONING**

Section 33433 requires the Housing Authority to identify the value of the interests being conveyed at the highest use allowed by the Site's current zoning. The valuation must be based on the assumption that near-term development is required, but the valuation does not take into consideration any extraordinary use, quality and/or income restrictions that are being imposed on the development by the Housing Authority.

In an Appraisal Report prepared by Michael J. Francis, MAI, dated June 20, 2014 (Appraisal Report), the appraiser, concluded that given the Site's current zoning and the General Plan, and considering the current market conditions and property uses in the immediate and greater surrounding areas, the highest and best use of the Site is possibly higher density residential development which would be subject to the affordable housing restrictions required by the Housing Authority.

Notwithstanding the affordable housing restrictions required by the Housing Authority, the appraiser utilized a Sales Comparison Approach and determined under Premise 1 Value Estimate, the current "as is" Fair Market Value of the Fee Simple Estate of the Site is \$790,000, assuming the Highest and Best Use of the subject property is for higher density multifamily development.

**4. ESTIMATED REUSE VALUE OF THE INTERESTS TO BE CONVEYED**

This section summarizes the valuation estimate for the Site based on the required scope of development, and the other conditions, covenants and income restrictions required by the Agreement.

According to the appraisal, land residual analysis showed that the Site currently has a negative residual land value which indicates that the proposed subject development is currently not

economically feasible to build, from a Highest and Best Use standpoint, without assistance from a public subsidy.

Under Premise 2 Value Estimate, the appraiser determined the average home price for a 1,245 square foot house was \$224,000 and the total potential maximum home sales proceeds for 26 homes would be \$5,824,000. By deducting 1% for miscellaneous expenses, the total potential maximum net home sales proceeds for 26 homes would be \$5,765,760. The Appraisal concluded that in consideration of the total development and construction budget for the project estimated at \$6,122,030, the estimated land residual value of the Site, assuming successful building entitlement and development of 26 single-family homes, is approximately **-\$356,270**.

**5. CONSIDERATION RECEIVED IN COMPARISON WITH THE ESTABLISHED VALUE**

The Agreement requires the Housing Authority to convey the Site to Habitat for a purchase price of \$1 which exceeds the estimated land residual value of **-\$356,270**.

**6. BLIGHT ELIMINATION**

The Site consists of vacant land located 420 feet north of Mission Boulevard at the terminus of Amarillo Street in the City of Jurupa Valley. Development of the Project on the Site will provide much needed affordable homeownership opportunities, fill in a gap of vacant land which had been occupied by homeless encampments, and eliminate the blighting conditions caused by the improper and underutilization of the land. The Project will increase employment during the construction phase. Thus, the proposed Project fulfills the blight elimination requirement imposed by Section 33433.

**7. CONFORMANCE WITH THE AB 1290 IMPLEMENTATION PLAN**

The Project meets the following goals called out in the Jurupa Valley Project Area Implementation Plan 2009-2014 adopted pursuant to Health and Safety Code Section 33490:

Construction of residential housing on underdeveloped vacant land will assist the County to eliminate and prevent the acceleration of physical blight and to encourage the better utilization of real property and spur new private enterprise investment.

**ATTACHMENT A**

**LEGAL DESCRIPTION**

All that certain real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL A: (APN: 169-100-055-1 AND 169-100-057-3)

PARCEL 2 OF PARCEL MAP NO. 34696, IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 226, PAGES 95 TO 99, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED IN GRANT DEEDS RECORDED APRIL 22, 2008 AS INSTRUMENT NO. 2008-0199763 OF OFFICIAL RECORDS AND SAID PORTIONS AS SHOWN ON PAGES 9 AND 10 AS CONVEYED BY BOOK 137 OF RECORD OF SURVEYS PAGES 99-113, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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THE WESTERLY 4 FEET OF THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED BY METES AND BOUNDS, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT;  
THENCE NORTH ON THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT, CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;  
THENCE EAST ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET;  
THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE OF SAID LOT;  
THENCE WEST ON SAID SOUTH LINE, 165 FEET TO THE POINT OF BEGINNING.

June 1, 2015

**ATTACHMENT B**

**SITE MAP**

**(behind this page)**





ATTACHMENT C  
DISPOSITION AND DEVELOPMENT AGREEMENT  
(Not Attached)

**Summary Report Pursuant To  
California Health and Safety Code Section 33433  
On A Disposition and Development Agreement  
By and Between  
The Housing Authority of the County of Riverside County  
and  
Habitat for Humanity Riverside, Inc.**

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The Housing Authority is a California housing authority acting under the California Housing Authorities Law, Part 2 of Division 24 of the Health and Safety Code (the "Housing Authorities Law").

Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 ("Dissolution Act"), added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the "CRL"). The Redevelopment Agency for the County of Riverside ("RDA") was dissolved on February 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173. Pursuant to Health and Safety Code Section 34176 (a), and Housing Authority Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the successor agency) were transferred to the Housing Authority. As such, the Housing Authority now owns the Site.

The proposed conveyance of the Site for development to Habitat is subject to the reporting requirements imposed by Section 33433. Section 33433 requires the conveying entity to prepare a report that summarizes the following information in connection with the disposition and development transaction for the Site:

- (i) The cost of the agreement to the agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected

interest on any loans or bonds to finance the agreements.

(ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the plan.

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(iv) An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

It is the intent of this Summary Report to meet all of the Section 33433 requirements and provide the required information and data. This Summary Report is based upon the information contained within the Agreement, and is organized into the following seven sections:

1. **Salient Points of the Agreement:** This section summarizes the major responsibilities imposed on the Housing Authority and Habitat in the Agreement.
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4. **Estimated Reuse Value of the Interests to be Conveyed:** This section summarizes the valuation estimate for the Site based on the required scope of development, and the other conditions and covenants required by the Agreement.
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7. **Conformance with the AB 1290 Implementation Plan:** This section describes how the Agreement achieves the goals identified in the adopted AB 1290 Implementation Plan for the Jurupa Valley Project Area.

## 1. SALIENT POINTS OF THE AGREEMENT

### **Description of the Site and Project**

The property to be conveyed by the Housing Authority to Habitat is approximately 5.3 acres of residentially zoned vacant land owned by the Housing Authority located 420 feet north of Mission Boulevard at the terminus of Amarillo Street in the City of Jurupa Valley County of Riverside identified as Assessor's Parcel Numbers (APN) 169-100-055, 169-100-057 and 169-070-035, legally described in **Exhibit A** attached hereto and incorporated herein by this reference ("Site"). The Site is depicted on the Site Map attached hereto as **Exhibit B** and incorporated herein by this reference.

The Site was assembled by the former RDA from groups of parcels acquired over the years. On February 27, 2001, the former RDA Board of Directors adopted Resolution No. 2001-002 authorizing the purchase of nine parcels of approximately 5.32 acres for \$525,000 plus escrow fees. Of the 5.32 acres, 3.24 acres (APN 169-100-055) is incorporated into the Site. On December 7, 2004, the former RDA Board of Directors adopted Resolution No. 2001-002 to purchase two parcels of approximately 5.5 acres (APN 169-100-057) for \$320,000 plus escrow fees. Of the 5.5 acres, 2.27 acres is incorporated into the Site. On January 31, 2011, a 0.05 acre 4 foot strip of land (APN 169-070-035) was acquired for \$7,428 for incorporation into the Site. The Site consists of approximately 5.3 acres. Pursuant to the Dissolution Act, the Site was transferred by the Successor Agency to the former RDA to the Housing Authority pursuant to the Housing Asset Transfer list approved by the California Department of Finance on February 15, 2013.

The former RDA acquired the property primarily for the purpose of carrying out its obligation to eliminate blight and for future development. When the Site was purchased by the former RDA, the Site consisted of vacant land. Due to the elimination of redevelopment in California, and the lack of available financing to construct affordable housing on the Site, the Housing Authority determined that the best use for the Site would be to enter into a disposition and development agreement requiring the development of affordable for sale single-family housing.

### **Scope of Development**

The proposed scope of development includes the development and construction on the Site of 26 new residential single-family units, 8 of which shall be 4 bedrooms and a minimum of 1,500 square feet, and 18 of which shall be 3 bedrooms and a minimum of 1,300 square feet (Units), with related infrastructure, parking, common areas and open space improvements, and the sale of the Units to qualified Lower Income First Time Homebuyers for an affordable sales price ("Project"). Residents and families of the enriched neighborhood Project will have an opportunity to benefit from a number of classes and services provided by non-profit and social service partnerships including, but not limited to, financial management, budgeting, home repair, home maintenance, veteran counseling, nutrition, gardening, computer training, employee training, workforce development, tutoring and higher education training.

The term "Lower Income" used herein shall have the meaning set forth in Health and Safety Code Section 50079.5 (i.e., 80 percent (80%) of area median income, adjusted for family size).

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### **Habitat Responsibilities**

The Agreement requires Habitat to accept the following responsibilities:

1. Habitat must accept conveyance of the Site in an "as-is" condition.
2. Habitat shall pay to the Housing Authority \$1 to purchase the Site, subject to the development obligations and sale and occupancy restrictions set forth in the proposed Agreement.
3. Habitat shall pay all escrow fees.
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6. Habitat is responsible for obtaining all necessary entitlements to carry out the entire Scope of Development.
7. Habitat shall cause all Units to be sold to and occupied by income qualified Lower Income households by causing affordable housing re-sale restrictions and a Grant Deed Addendum, attached to the Agreement, to be recorded against each Unit. The Units shall remain restricted for a period of no less than 45 years.
8. Habitat must secure all financing pursuant to the Agreement and the Schedule of Performance attached to the Agreement.

### **Housing Authority Responsibilities**

In consideration for Habitat's promises, covenants and obligations set forth in the proposed Agreement, the Agreement requires the Housing Authority to convey the Site to Habitat for the purchase price of \$1, subject to Habitat's satisfactions of the terms and conditions set forth therein.

### **2. COST OF THE AGREEMENT TO THE FORMER RDA AND THE HOUSING AUTHORITY**

The cost of acquiring the Site borne by the former RDA is approximately \$459,238. Such cost includes estimated land value based on appraisals conducted in the surrounding area, consideration paid for land, consulting fees, appraisal costs, title expenses and various other costs and expenses. The foregoing figure relating to the cost of the Agreement is an estimated amount and does not include either an allocation of interest or an allocation of the cost of staff time expended on the acquisition of the Site.

**Costs Incurred**

**Land Acquisition**

$$\text{APN 169-100-055} \quad \frac{\$525,000}{5.32 \text{ acres}} = \frac{\text{A}}{3.24 \text{ acres}} \quad \text{A} = \$ 319,737$$

$$\text{APN 169-100-057} \quad \frac{\$320,000}{5.5 \text{ acres}} = \frac{\text{B}}{2.27 \text{ acres}} \quad \text{B} = \$132,073$$

$$\text{APN 169-070-035} \quad \text{C} = \$7,428$$

$$\text{Site acquisition cost (A + B + C) = \$459,238}$$

**3. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE EXISTING ZONING**

Section 33433 requires the Housing Authority to identify the value of the interests being conveyed at the highest use allowed by the Site's current zoning. The valuation must be based on the assumption that near-term development is required, but the valuation does not take into consideration any extraordinary use, quality and/or income restrictions that are being imposed on the development by the Housing Authority.

In an Appraisal Report prepared by Michael J. Francis, MAI, dated June 20, 2014 (Appraisal Report), the appraiser, concluded that given the Site's current zoning and the General Plan, and considering the current market conditions and property uses in the immediate and greater surrounding areas, the highest and best use of the Site is possibly higher density residential development which would be subject to the affordable housing restrictions required by the Housing Authority.

Notwithstanding the affordable housing restrictions required by the Housing Authority, the appraiser utilized a Sales Comparison Approach and determined under Premise 1 Value Estimate, the current "as is" Fair Market Value of the Fee Simple Estate of the Site is \$790,000, assuming the Highest and Best Use of the subject property is for higher density multifamily development.

**4. ESTIMATED REUSE VALUE OF THE INTERESTS TO BE CONVEYED**

This section summarizes the valuation estimate for the Site based on the required scope of development, and the other conditions, covenants and income restrictions required by the Agreement.

According to the appraisal, land residual analysis showed that the Site currently has a negative residual land value which indicates that the proposed subject development is currently not

economically feasible to build, from a Highest and Best Use standpoint, without assistance from a public subsidy.

Under Premise 2 Value Estimate, the appraiser determined the average home price for a 1,245 square foot house was \$224,000 and the total potential maximum home sales proceeds for 26 homes would be \$5,824,000. By deducting 1% for miscellaneous expenses, the total potential maximum net home sales proceeds for 26 homes would be \$5,765,760. The Appraisal concluded that in consideration of the total development and construction budget for the project estimated at \$6,122,030, the estimated land residual value of the Site, assuming successful building entitlement and development of 26 single-family homes, is approximately -\$356,270.

5. **CONSIDERATION RECEIVED IN COMPARISON WITH THE ESTABLISHED VALUE**

The Agreement requires the Housing Authority to convey the Site to Habitat for a purchase price of \$1 which exceeds the estimated land residual value of -\$356,270.

6. **BLIGHT ELIMINATION**

The Site consists of vacant land located 420 feet north of Mission Boulevard at the terminus of Amarillo Street in the City of Jurupa Valley. Development of the Project on the Site will provide much needed affordable homeownership opportunities, fill in a gap of vacant land which had been occupied by homeless encampments, and eliminate the blighting conditions caused by the improper and underutilization of the land. The Project will increase employment during the construction phase. Thus, the proposed Project fulfills the blight elimination requirement imposed by Section 33433.

7. **CONFORMANCE WITH THE AB 1290 IMPLEMENTATION PLAN**

The Project meets the following goals called out in the Jurupa Valley Project Area Implementation Plan 2009-2014 adopted pursuant to Health and Safety Code Section 33490:

Construction of residential housing on underdeveloped vacant land will assist the County to eliminate and prevent the acceleration of physical blight and to encourage the better utilization of real property and spur new private enterprise investment.



**ATTACHMENT A**  
**LEGAL DESCRIPTION**

All that certain real property in the City of Jurupa Valley, County of Riverside, State of California, described as follows:

PARCEL A: (APN: 169-100-055-1 AND 169-100-057-3)

PARCEL 2 OF PARCEL MAP NO. 34696, IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 226, PAGES 95 TO 99, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED IN GRANT DEEDS RECORDED APRIL 22, 2008 AS INSTRUMENT NO. 2008-0199763 OF OFFICIAL RECORDS AND SAID PORTIONS AS SHOWN ON PAGES 9 AND 10 AS CONVEYED BY BOOK 137 OF RECORD OF SURVEYS PAGES 99-113, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B: (APN: 169-070-035-1 formerly APN 169-070-003)

THE WESTERLY 4 FEET OF THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED BY METES AND BOUNDS, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT;  
THENCE NORTH ON THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT, CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;  
THENCE EAST ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET;  
THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE OF SAID LOT;  
THENCE WEST ON SAID SOUTH LINE, 165 FEET TO THE POINT OF BEGINNING.

June 1, 2015

**ATTACHMENT B**

**SITE MAP**

**(behind this page)**



June 1, 2015

**ATTACHMENT C**  
**DISPOSITION AND DEVELOPMENT AGREEMENT**  
(behind this page)

**NO FEE FOR RECORDING  
PURSUANT TO GOVERNMENT  
CODE SECTION 6103**

**Order No.**

Escrow No.

File No.

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

Housing Authority of the  
County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn: Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS USE

**DISPOSITION AND DEVELOPMENT AGREEMENT**  
(File No. HASA2-15-001)

By and Between

THE HOUSING AUTHORITY OF  
THE COUNTY OF RIVERSIDE

and

HABITAT FOR HUMANITY RIVERSIDE, INC.

as Developer

for

Jurupa Valley Enriched Veterans Neighborhood Project

Dated \_\_\_\_\_, 2015

Approved by

Board of Commissioners Resolution No. 2015-003

and

Board of Supervisors Resolution No. 2015-039

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**DISPOSITION AND DEVELOPMENT AGREEMENT  
(Jurupa Valley Enriched Veterans Neighborhood Project)**

This DISPOSITION AND DEVELOPMENT AGREEMENT (“**Agreement**”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside (hereinafter called the “**Authority**”) and HABITAT FOR HUMANITY RIVERSIDE, INC., a California nonprofit public benefit corporation (hereinafter called “**Developer**”). Authority and Developer are collectively referred to herein as the “Parties” and individually as “Party.”

RECITALS

A. The County of Riverside (“**County**”) adopted the redevelopment plan (“**Redevelopment Plan**”) for the Jurupa Valley Redevelopment Project Area (“**Project Area**”);

B. In accordance with California Health and Safety Code Section 33490, the former Redevelopment Agency for the County of Riverside (“**RDA**”) adopted a five (5) year Implementation Plan for the Project Area, as amended from time to time (“**Implementation Plan**”), which established goals to support affordable housing, economic development, community revitalization and other activities necessary or appropriate to carry out the objectives of the Redevelopment Plan;

C. In February of 2001, the former RDA adopted Resolution No. 2001-002 to acquire multiple properties in the Project Area with the intent to develop affordable housing, located north of Mission Boulevard, east of Bellegrave Avenue and west of Pedley Road, also known as Assessor Parcel Numbers (APN) 169-100-055, 169-100-057 and 169-070-035, totaling approximately 5.3 acres, as described in the legal description and depicted on the site map attached hereto as **Attachment No. 1** and incorporated herein by this reference (the “**Property**”);

D. California Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 (“**Dissolution Act**”), added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the “**CRL**”). As a result of the Dissolution Act, the RDA was dissolved on February 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173;

E. Pursuant to the Dissolution Act and Authority Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets were transferred to Authority, including the Property;

F. Authority is a California Housing Authority acting under the California Housing Authorities Law, Part 2 of Division 24 of the Health and Safety Code (the “**Housing Authorities Law**”);

G. On March 26, 2013, the County pledged its goal to ensure that every veteran in

the County who wishes to help themselves has access to medical and mental health services, workforce development training, job assistance, and affordable housing priority under the Veteran Assistance Legislation of Riverside County (“VALOR”);

H. Authority is a member of the VALOR sub-committee appointed by the County’s Board of Supervisors to support its program and its “No Veteran Left Behind” strategy;

I. Developer is a California nonprofit public benefit corporation engaged in building safe and affordable housing for low-income families with a goal to assist veteran households;

J. Developer, in collaboration with the California Department of Veteran Affairs (“CalVet”) and Habitat for Humanity San Fernando/Santa Clarita Valleys, desires to implement the CalVet Residential Enriched Neighborhood model (defined below) in the City of Jurupa Valley and partner with local businesses and community organizations to provide and support a community of 26 Lower Income (as defined herein) family households, with a preference for veterans and their families, and assist them with social services and training to achieve self-sufficiency (“**Jurupa Valley Enriched Veterans Neighborhood Project**”) to be developed and constructed on the Property. Developer has reserved approximately \$9,000,000 with CalVet to provide home loans under the terms and conditions prescribed by the Military and Veterans Code and Title 12 of the California Code of Regulations;

K. On August 20, 2013, the Authority’s Board of Commissioners adopted Resolution No. 2013-008 supporting the reservation for CalVet funding and intent to donate land for the development and construction of the Jurupa Valley Enriched Veterans Neighborhood Project;

L. On January 28, 2014, the Authority’s Board of Commissioners approved that certain Exclusive Negotiation Agreement with Developer to explore and negotiate in good faith a disposition and development agreement; and

M. In furtherance of the public purposes set forth in the Housing Authorities Law of the State of California( Sections 34200 et seq. of the California Health and Safety Code) and the CRL, the Authority desires to convey the Property to Developer for the development and construction thereon of 26 single-family homes to be sold to and occupied by Lower Income Households (as defined herein), for an Affordable Sales Price (as defined herein), and related improvements and amenities, as more specifically described herein.

NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual covenants and conditions hereinafter set forth, the Authority and Developer hereby do agree as follows:

## **ARTICLE 1 SUBJECT OF AGREEMENT**

### **Section 1.1 Definitions**

For purposes of this Agreement, the following capitalized terms shall have the following

meanings:

“Addendum to Grant Deed” means the instrument to be included with all grant deeds from the Developer to Purchasers of the Restricted Units, substantially in the form attached hereto as **Attachment No. 5**, which is incorporated herein by this reference.

“Affiliate” means (1) any Person directly or indirectly controlling, controlled by or under common control with another Person; (2) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other Person; or (3) if that other Person is an officer, director, member or partner, any company for which such Person acts in any such capacity. The term “control” as used in the immediately preceding sentence, means the power to direct the management or the power to control election of the board of directors. It shall be a presumption that control with respect to a corporation or limited liability company is the right to exercise or control, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the controlled corporation or limited liability company, and, with respect to any individual, partnership, trust, other entity or association, control is the possession, indirectly or directly, of the power to direct or cause the direction of the management or policies of the controlled entity. It shall also be a presumption that the managing General Partner of a limited partnership controls the limited partnership.

“Affordable Housing Resale Restriction” means that certain Affordable Housing Resale Restriction Option to Designate Eligible Purchase and Option to Purchase Upon Default, in a form and substance first approved by Authority Executive Director and County Counsel, to be executed by a Purchaser of a Restricted Unit on or prior to the close of escrow for the conveyance of such unit from Developer to such Purchaser. The Affordable Housing Resale Restriction shall include, among other things, a first right of refusal in favor of the Authority to the purchased Restricted Unit.

“Affordability Restrictions” means the restriction on Developer to sell the Restricted Units only to Lower Income First Time Homebuyers for an Affordable Sales Price as provided in Section 4.1 of this Agreement and the Grant Deed, and the restriction on each Purchaser and subsequent owner of each Restricted Unit to sell the Restricted Units only to a Lower Income Household for an Affordable Sales Price unless otherwise permitted by the terms of the Addendum to Grant Deed.

“Affordable Housing Cost” means, pursuant to Health and Safety Code Section 50052.5(b)(3), for Lower Income Households the housing cost payments shall not exceed thirty percent (30%) of the gross income of the household times seventy percent (70%) of the Area Median Income as determined by HUD, adjusted for household size appropriate for the Unit. For purposes of this definition, the phrase “adjusted for household size appropriate for the Unit” shall mean a household size equal to the number of bedrooms in the Unit plus one.

“Affordable Sales Price” means that portion of the Sales Price of a Restricted Unit that is equal to the sum of a First Mortgage Loan and any down payment, if applicable, where the total Housing Cost to be paid by the Purchaser does not exceed the Affordable Housing Cost. The Affordable Sales Price shall be established so that payments on the First Mortgage Loan (based

on a 30-year fixed mortgage at prevailing interest rates) will not exceed an Affordable Housing Cost to the buyer when added to all other components of the Housing Cost, as defined in Section 6920 of title 25 of the California Administrative Code.

“Area Median Income” means the median income of the Riverside-San Bernardino-Ontario Standard Metropolitan Statistical Area, adjusted for family size by the United States Department of Housing and Urban Development (“HUD”) pursuant to Section 8 of the United States Housing Act of 1937, as determined by HUD and published from time to time by the California Department of Housing and Community Development.

“Authority Executive Director” or “Executive Director” means the Executive Director of the Housing Authority of the County of Riverside or his or her designee. Authority agrees to provide notice to Developer of the name of the Executive Director’s designee on a timely basis, and to provide updates from time to time.

“Authority Instruments” means and includes this DDA, the Grant Deed, including the Addendum to Grant Deed, Environmental Indemnity, Assignment of Agreements and the Agreement Containing Covenants, each in a form that is reasonably acceptable to the Authority Executive Director.

“CalVet” means the California Department of Veteran Affairs.

“CalVet Residential Enriched Neighborhood model” (formerly the “Habitat Enriched Neighborhood model”) means a neighborhood community that integrates a supportive environment connecting veterans and their families directly to services and programs that provide training and encourage self-sufficiency. Services and programs include social services, health information, home repair, money management, tutoring, and job search assistance.

“City” means the City of Jurupa Valley.

“Closing” or “Close of Escrow” means with respect to the acquisition of the Property by Developer the point in time when all conditions precedent to such acquisition have been satisfied in accordance with this Agreement.

“Closing Date” means the date on which the Closing has occurred.

“Completion” means the point in time at which all of the following have been satisfied: (a) issuance of a certificate of occupancy for the Project by the County of Riverside, (b) recordation of a Notice of Completion by Developer or its contractor, (c) submission to the Authority, of unconditional lien releases or waivers obtained by Developer or Developer’s agent, (d) certification by the project architect that construction of the Improvements (with the exception of minor “punch list” items) has been completed in a good and workmanlike manner and substantially in accordance with the approved plans and specifications; (e) payment, settlement or other extinguishment, discharge, release, waiver, bonding or insuring against any mechanic’s liens that have been recorded or stop notices that have been delivered; and (f) the Property has been developed in accordance with this Agreement, the Scope of Development and

plans approved by the Authority pursuant to this Agreement.

“Conditions” means, with respect to the Property, the condition of the soil, geology, the presence of known or unknown faults or defects, or Hazardous Substances, the suitability of the Property for its intended uses, or the condition of any related public improvements.

“Construction Financing Event” means the occurrence of the satisfaction of all conditions precedent to the commencement of disbursement of the Construction Loan proceeds, including, without limitation, recordation of the Construction Loan deed of trust in the Official Records.

“Construction Loan” means the loan from CalVet in the approximate amount of \$9,000,000 made to the Developer at the time of the Closing for construction of the Improvements, secured against the Property by the Construction Loan Deed of Trust. The Construction Loan will convert to a First Mortgage Loan for the qualified Purchaser upon the close of escrow for the sale of a Restricted Unit from Developer to such qualified Purchaser.

“Construction Lender” means CalVet.

“Construction Loan Deed of Trust” means the deed of trust securing the Construction Loan that is first in priority.

“County” means the County of Riverside, a political subdivision of the State of California.

“DDA” or “Agreement” means this Disposition and Development Agreement by and between the Authority and the Developer.

“Developer” means Habitat for Humanity Riverside, Inc., a California nonprofit public benefit corporation and any assignee of or successor to its rights, powers and responsibilities permitted by this Agreement.

“Developer’s Purchase Price” means the sum of one dollar (\$1) to be paid by the Developer to the Authority to purchase the Property.

“Development Costs” means all costs which are actually incurred by Developer for the acquisition of the Property and the financing, design, development and construction of the Project, and shall include, without limitation, all of the items of cost set forth in the Project Budget and similar costs, fees and expenses as approved by the Authority Executive Director.

“Displaced Homemaker” means an individual who (1) is an adult; (2) has not worked full-time in the labor force for at least two (2) years but has, during such years, worked primarily without remuneration to care for the home and family; and (3) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

“Escrow Instructions” or “Escrow Agreement” means escrow instructions prepared on behalf of the Authority relating to the sale of the Property to Developer.

“First Mortgage Loan” means a loan made by CalVet to a Purchaser to be used to pay a portion of the Affordable Sales Price of a Restricted Unit, which, upon the sale of a Restricted Unit to a Purchaser, shall be secured by a first deed of trust and other security instruments having a lien on the Restricted Unit that is senior in priority to the lien of the Second Mortgage deed of trust, the third mortgage deed of trust, if necessary, and all other subordinate liens.

“First Time Homebuyer” means an individual and his or her spouse who have not owned a home during the three (3)-year period immediately preceding the purchase of the Restricted Unit, except that an individual may not be excluded from consideration as a First Time Homebuyer on the basis that the individual owns or owned, as a principal residence during the 3-year period immediately preceding the purchase of the Restricted Unit, a dwelling unit whose structure is not permanently affixed to a permanent foundation in accordance with local or other applicable regulations.

“Force Majeure” or “Force Majeure Event” means any of the following events, provided that it actually delays and interferes with the timely performance of the matter to which it applies and despite the exercise of diligence and good business practices is or would be beyond the reasonable control of the party claiming such interference: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; acts of the other party; acts or failure to act of any Governmental Authority (except acts or failure to act of the Authority shall not excuse performance by the Authority); or the imposition of any applicable moratorium by a Governmental Authority; or any other causes which despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such delay and interference. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Event unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge of the event, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within fifteen (15) days after it obtains actual knowledge of the event.

“Force Majeure Delay” means any delay in taking any action required by this Agreement, proximately caused by the occurrence of any Force Majeure Event.

“Governmental Approvals” means and include any and all general plan amendments, zoning approvals or changes, required approvals and certifications under the California Environmental Quality Act, variances, conditional use permits, demolition permits, excavation/foundation permits, grading permits, building permits, inspection reports and approvals, certificates of occupancy, and other approvals, permits, certificates, authorizations, consents, orders, entitlements, filings or registrations, and actions of any nature whatsoever required from any Governmental Authority in order to commence and complete the construction of the Project.

“Governmental Authority” means the United States, the State of California, the City of Jurupa Valley, the County, or any other political subdivision in which the Property is located, and any court or political subdivision, agency or instrumentality having jurisdiction over the Property.

“Grant Deed” means the instrument by which the Authority will convey title to the Property to Developer, substantially in the form attached hereto as **Attachment No. 4**, which is incorporated herein by this reference.

“Hazardous Substances” shall have the meaning set forth in the Environmental Indemnity.

“Housing Cost” shall have the meaning set forth in Title 25 California Administrative Code Section 6920.

“HUD” means the United States Department of Housing and Urban Development.

“Improvements” means 26 new residential single-family homes, 8 homes of which shall have 4 bedrooms and a minimum of 1,500 square feet, and 18 homes of which shall have 3 bedrooms and a minimum of 1,300 square feet, to be constructed on the Property with related infrastructure, parking, and common areas and the Open Space Improvements, all in accordance with this Agreement, and as more specifically described in the Scope of Development attached hereto as **Attachment No. 6** and incorporated herein by this reference.

“Lender” or “Senior Lender” means CalVet or any other owner or holder of a mortgage permitted by this Agreement.

“Lower Income” or “Lower Income Household” shall have the meaning set forth in Health and Safety Code Section 50079.5. If the California Department of Housing and Community Development discontinues publishing the Lower Income limits, the term “Lower Income” shall mean a household income that does not exceed 80% of the area median income for the County of Riverside, adjusted by family size.

“Method of Financing” shall mean the document attached to this Agreement as **Attachment No. 2**, which is incorporated herein by this reference.

“Mortgagee” shall mean any maker of a Permitted Mortgage Loan to Developer.

“Necessary Capital Contributions” shall mean that certain amount of money derived from third-party donations in the form of cash received that equals (or exceeds) the Authority approved Development Costs less the cumulative amount of the Construction Loan necessary for the financing of the Project.

“Notice of Affordability Restrictions” means the Notice of Affordability Restrictions in form as attached hereto as **Attachment No. 10**.



“Official Records” means the Official Records of the Office of the County Recorder for the County of Riverside, California.

“Open Space Improvements” means the improvements to be constructed on the open space portion of the Property to be maintained by the Developer, in accordance with the plans and specifications approved by the City and the Scope of Development attached hereto.

“Permitted Exceptions” means those encumbrances, liens, taxes, assessments, easements, rights of way, leases, covenants, agreements or other exceptions affecting title to the Property as of the date of recordation of the Grant Deed which are not disapproved in writing by the Developer.

“Permitted Mortgage” shall mean and include: (i) any conveyance of a security interest in the Property to one or more Mortgagees to secure any loan to finance the Project as required by this Agreement; and (iii) the conveyance of title to the Mortgagee or its assignee in connection with a foreclosure or a deed in lieu of foreclosure of such loan.

“Permitted Mortgagee” shall mean the maker of any Permitted Mortgage Loan.

“Permitted Mortgage Loan” shall mean the obligations secured by a Permitted Mortgage.

“Permitted Transfer” means assignment of all or any part of this Agreement or any right therein, or the sale, agreement to sell, transfer, conveyance or assignment of the Property or any portion thereof or interest therein to any of the following:

- (1) A partnership or limited liability company in which Developer, or an entity controlled by Developer, is the managing general partner or managing member and is in control thereof;
- (2) The admission of additional new general or limited partners or members, or the substitution or deletion of partners or members to any such partnership or limited liability company set forth in clause a. above, so long as Developer or an entity controlled by Developer continues in control;
- (3) A corporation that is wholly owned and that is controlled by Developer or an entity controlled by Developer;
- (4) The granting of easements, licenses or permits to facilitate the development of the Property;
- (5) The transfer or conveyance of all or any portion of the Property by foreclosure or deed of trust or by transfer in-lieu-of foreclosure to a Lender; and
- (6) The sale for occupancy of any Restricted Unit in conformance with this Agreement.

Any transfer described in clauses (1) through (5) shall be subject to the reasonable approval of documentation by the Authority Executive Director or designee. Any sale for occupancy of a Restricted Unit, as described in clause (6), shall be subject to the approval of the Authority Executive Director.

“Person” means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, domestic or foreign.

“Plans” means any architectural and construction plans and drawings prepared on behalf of Developer for the Project in accordance with this Agreement.

“Project” means the acquisition of the Property by Developer, the development and construction thereon of the Improvements, and the sale of the Restricted Units to qualified First Time Homebuyers for an Affordable Sales Price, pursuant to this Agreement, including, but not limited to the Scope of Development attached hereto as **Attachment No. 6**.

“Project Budget” means the schedule of sources and uses of funds to pay Development Costs attached to this Agreement as **Attachment No. 7**, incorporated herein by this reference.

“Property” means the real property, including all improvements thereon, with Assessor Parcel Numbers (APN) 169-100-055, 169-100-057 and 169-070-035, totaling approximately 5.3 acres, legally described and depicted on **Attachment No. 1**. In the event that Developer subdivides the Property, each subdivided parcel shall be subject to the rights and obligations under this Agreement and the legal description referenced herein for the Property may be modified to reflect the legal descriptions associated with each new parcel.

“Purchaser” means any qualified Lower Income person or household who is also a qualified First Time Homebuyer and the initial purchaser of a Restricted Unit from Developer. Subsequent purchasers of a Restricted Unit from the Developer shall be a qualified Lower Income Household.

“Purchase Price” means the sum of One Dollar (\$1.00) to be paid by Developer to Authority for the acquisition of the Property.

“Release of Construction Covenants” means the certificate to be issued by the Authority upon Completion and recorded in the Office of the County Recorder of the County of Riverside, in accordance with Section 3.22 of this Agreement.

“Restricted Period” means the longest feasible time, but not less than forty-five (45) years following the initial purchase of a Restricted Unit by a Purchaser from Developer.

“Restricted Units” means newly constructed Units in the Project, which shall be sold exclusively to and occupied exclusively by Lower Income Purchasers who are First Time Homebuyers. The Restricted Units shall consist of all Units.

“Right of Entry Agreement” means that agreement substantially in form attached hereto as **Attachment No. 16** and incorporated herein by this reference.

“Sales Price” means the total purchase price paid by a Purchaser to Developer for a Restricted Unit, consisting of the CalVet Construction Loan, the down payment, if any, and the

Second Mortgage Loan.

“Second Mortgage Loan” means the silent second mortgage loan issued by Developer to Purchaser subordinate to the First Mortgage Loan issued by CalVet. The Second Mortgage Loan shall be evidenced by a promissory note for the benefit of Developer and secured by a subordinated deed of trust encumbering the respective Restricted Unit.

“Senior Loan” means the source of financing in the form of a Construction Loan, a permanent loan or any other loan, credit enhancement or construction period guaranty facility secured by a deed of trust or other instrument against the Property.

“Schedule of Performance” means the schedule attached hereto as **Attachment No. 3** and incorporated herein by this reference.

“Scope of Development” means the Scope of Development attached hereto as **Attachment No. 6** and incorporated herein by this reference.

“Title Company” means Lawyers Title Insurance Corporation, or another title insurance company mutually agreed upon by the Authority Executive Director and Developer.

“Transfer” means the assignment of all or any part of this Agreement or any right herein, or the sale, agreement to sell, transfer, conveyance, or assignment of the Property or any portion thereof or interest therein.

“Units” means the twenty-six (26) single family homes to be developed and constructed pursuant to this Agreement and the Scope of Development.

## **Section 1.2 Purpose of Agreement**

The Authority owns the Property. The purpose of this Agreement is to effectuate the Redevelopment Plan for the Jurupa Valley Redevelopment Project Area by conveying the Property to Developer for the construction and development thereon of twenty-six (26) single family homes to be sold for and Affordable Sales Price to and occupied by qualified Lower Income First Time Homebuyers, as more specifically described in this Agreement. The development, sale and use of the Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the County of Riverside and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws.

## **Section 1.3 The Authority**

(a) The Authority is a public entity, corporate and politic, exercising governmental functions and powers, and organized and existing under the Housing Authorities Law of the State of California (California Health and Safety Code § 34200 et seq.). The Authority is also the “housing successor” to the former Redevelopment Agency of the County of Riverside pursuant to California Health and Safety Code Section 34176. The principal office of

the Authority is located at 5555 Arlington Avenue, Riverside, California 92504.

(b) "Authority" as used in this Agreement includes the Housing Authority of the County of Riverside, California and any assignee of or successor to its rights, powers and responsibilities.

#### **Section 1.4 Developer**

Developer is Habitat for Humanity Riverside, Inc., a California nonprofit public benefit corporation. The principal address of Developer for purposes of this Agreement is 2180 Iowa Avenue, Riverside, California 92507. Whenever the term "Developer" is used herein, it shall mean and include the Developer as of the date of this Agreement, and any assignee of or successor to the rights, powers and responsibilities of Developer permitted by this Agreement.

#### **Section 1.5 Assignments and Transfers**

(a) Developer represents and agrees that its undertakings pursuant to this Agreement are for the purpose of redeveloping the Property and providing affordable for sale housing for Lower Income Households, and not for speculation in land holding. Developer further recognizes that the qualifications and identity of Developer are of particular concern to the Authority, in light of the following: (1) the importance of the development of the Property to the general welfare of the community; (2) the public assistance that has been made available by law and by the government for the purpose of making such redevelopment possible; and (3) the fact that a change in ownership or control of Developer or any other act or transaction involving or resulting in a significant change in ownership or control of Developer, is for practical purposes a transfer or disposition of the property then owned by Developer. Developer further recognizes that it is because of such qualifications and identity that the Authority is entering into the Agreement with Developer. Therefore, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly permitted herein.

(b) Prior to Completion, Developer shall not assign all or any part of this Agreement, or any interest herein, without the prior written approval of the Authority. Subject to review of documentation effectuating any such proposed assignment or transfer, the Authority agrees to reasonably give such approval if the assignment is a Permitted Transfer.

(c) For the reasons cited above, Developer represents and agrees for itself and any successor in interest that prior to Completion, without the prior written approval of the Authority, there shall be no significant change in the ownership of Developer or in the relative proportions thereof, or with respect to the identity of the parties in control of Developer or the degree thereof, by any method or means, except Permitted Transfers.

(d) Any assignment or transfer of this Agreement or any interest herein or significant change in ownership of Developer, other than certain Permitted Transfers, shall require the written approval of the Authority, which shall not be unreasonably withheld. To the extent Authority approval of an assignment or transfer is required by this Agreement, in granting or withholding its approval, Authority shall base its decision upon the relevant experience,

financial capability and reputation of the proposed assignee or transferee and the effect, if any, of such proposed transfer on the public purposes of this Agreement. In addition, Authority shall not approve any assignment or transfer of this Agreement or any interest herein or significant change in ownership of Developer that results in payment of consideration to any Person prior to the issuance of the Release of Construction Covenants and that is not conditioned upon the issuance of the Release of Construction Covenants.

(e) Developer shall promptly notify the Authority of any and all changes whatsoever in the identity of the parties in control of Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. Except for Permitted Transfers, this Agreement may be terminated by the Authority if there is any significant change (voluntary or involuntary) in membership, management or control, of Developer (other than such changes occasioned by the death or incapacity of any individual) prior to Completion. In the event, prior to Completion, of the death or incapacity of any individual who controls Developer or the managing member of Developer, any resulting change in the management of the Improvements or the control of the day-to-day operations of the Property and the Improvements shall be subject to the approval of the Executive Director or designee, which approval shall not be unreasonably withheld, conditioned or delayed.

(f) Permitted Transfers and any other assignments or transfers approved by the Authority shall be evidenced by the Developer's, assignee's, and Authority's execution of an assignment and assumption agreement substantially approved as to form and substance by the Authority and Authority's general counsel.

(g) The restrictions of this Section 1.5 shall terminate upon Completion.

## **ARTICLE 2 DISPOSITION OF THE PROPERTY**

### **Section 2.1 Conveyance of the Property**

At such time as all conditions precedent to the conveyance of the Property have been satisfied, as set forth herein and in the Method of Financing (**Attachment No. 2**), Authority shall convey the Property to Developer in consideration for and on such terms and conditions as are contained herein.

#### **Section 2.1.1 Conditions Precedent to Conveyance of Property**

Subject to the notice and cure provisions of Section 5.1 and to the enforced delay provisions of Section 6.4 of this Agreement, the Authority at its option may terminate this Agreement pursuant to Section 5.8 if any of the conditions precedent set forth herein and in the Method of Financing (**Attachment No. 2**) are not satisfied by the Developer or waived in writing by the Authority within the time limits set forth in the Schedule of Performance (**Attachment No. 3**).

### **Section 2.2 Escrow**

The Developer agrees to open an escrow for the conveyance of the Property with the Title Company or with any other licensed escrow company first approved by the Authority and Developer ("Escrow Agent"), no later than the date established therefor in the Schedule of Performance. No later than the time provided in the Schedule of Performance, the Authority shall cause to be prepared and shall deliver the Escrow Instructions to the Escrow Agent. The Authority's Executive Director and the Developer shall provide such additional or amended escrow instructions as may be necessary to close the escrow with respect to the conveyance of the Property, and consistent with this Agreement.

### **Section 2.3 Possession of Property Upon Close of Escrow**

(a) Conveyance of the Property shall occur on or before the date set forth in the Schedule of Performance (**Attachment No. 3**), or such later date as mutually agreed to in writing by the Authority and Developer and communicated in writing to the Escrow Agent pursuant to Section 2.2 herein; provided, however, it is the mutual intention and desire of the Authority and Developer to close Escrow expeditiously but in all events before August 1, 2015. The Authority and Developer agree to perform all acts necessary to convey title in sufficient time for escrow to be closed in accordance with the foregoing provisions.

(b) Possession of the Property shall be delivered to Developer concurrently with the Close of Escrow, except that access and entry may be granted before the Close of Escrow as permitted pursuant to Section 2.12 of this Agreement.

### **Section 2.4 Form of Deed**

The Authority shall convey title to the Property to Developer in the condition provided in Section 2.5 of this Agreement, by Grant Deed substantially conforming in form and substance to the form of Grant Deed attached hereto as **Attachment No. 4** and incorporated herein by this reference.

### **Section 2.5 Condition of Title**

The Authority shall convey to the Developer the Property free and clear of (i) all liens, encumbrances, covenants, restrictions, easements, leases, taxes and other defects, and (ii) any exception created by the Authority after the date of this Agreement, but subject to (a) the covenants, conditions, restrictions and easements arising out of the provisions of this Agreement; and (b) unless caused to be removed by Developer with the Authority's consent, the Permitted Exceptions.

### **Section 2.6 Closing Date**

Subject to any mutually agreed-upon extension of time, the parties shall use their best efforts to satisfy all conditions precedent to the Closing prior to the date specified therefor in the Schedule of Performance. The Authority shall not be obligated to convey the Property to Developer unless all the conditions set forth herein and in the Method of Financing as conditions precedent to Closing have been satisfied, and such conditions precedent shall be satisfied on or

before the date established for the conveyance of the Property to Developer in the Schedule of Performance.

### **Section 2.7 Title Insurance**

(a) Concurrently with the recordation of the Grant Deed, Title Company shall provide and deliver to Developer a Title Insurance Policy, issued by the Title Company insuring that the fee interest to be conveyed is vested in Developer in the condition required by Section 2.5 of this Agreement (“Owner’s Title Policy”). The Title Company shall provide Authority with a copy of the Owner’s Title Policy. The Owner’s Title Policy shall be in the amount specified by Developer.

(b) If Developer elects to secure an A.L.T.A. owner’s policy or to secure an A.L.T.A. lender’s policy for the benefit of any lender for which a mortgage will or is intended to be granted covering the Property as permitted by the terms of this Agreement, Authority shall cooperate with Developer, at no cost to Authority, to obtain such policies by providing surveys and engineering studies in its possession which relate to or affect a condition of title or a geological condition. In providing such surveys and engineering studies, Authority does not warrant the accuracy or sufficiency of such material. The responsibility of Authority assumed by this paragraph is limited to cooperating in good faith with Developer. Authority shall have no obligation to incur any cost or to take any action necessary to obtain an A.L.T.A. policy.

(c) Developer shall pay for all premiums for all title insurance policies and coverage and special endorsements with respect to the Property. The Authority shall not be responsible for paying any title insurance costs or premiums.

### **Section 2.8 Taxes and Assessments**

Ad valorem taxes and assessments, if any, on the Property or any rights hereunder levied, assessed, or imposed as to any period prior to the Closing shall be borne by the Authority. All ad valorem taxes and assessments levied or imposed on the Property as to any period after the Closing shall be the sole responsibility of and paid by Developer.

### **Section 2.9 Occupants of the Property**

The Authority warrants and agrees that title to the Property shall be conveyed free of any possession and any right of possession except that of Developer, except as waived by Developer in writing, and the Permitted Exceptions.

### **Section 2.10 Condition of the Property**

#### **Section 2.10.1 Hazardous Substances**

(a) “Hazardous Substance,” as used in this Agreement means any substance, material or waste which is or becomes regulated by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance or waste which is (i) defined as a “hazardous waste,” “acutely hazardous

waste,” “restricted hazardous waste,” or “extremely hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code; (iii) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Section 25501 of the California Health and Safety Code; (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) a polychlorinated biphenyl; (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (ix) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xi) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); or (xii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as “hazardous” or is harmful to the environment or capable of posing a risk of injury to public health and safety. “Hazardous Substances” do not include materials customarily used in the construction, development, operation or maintenance of real estate, provided such substances are used in accordance with all laws.

(b) Developer hereby represents and warrants that the development, construction and uses of the Property permitted under this Agreement (i) will comply with all applicable environmental laws; and (ii) do not require the presence of any Hazardous Substance on the Property.

(c) Within seven (7) business days of request by Developer, Authority shall deliver to Developer, if not previously delivered, all documents relevant to the condition of the Property within the Authority’s possession or control, including, without limitation, a preliminary title report with underlying exceptions, environmental reports, studies, surveys, and all other relevant documents within the Authority’s possession or control (collectively referenced as “Documents”). Authority does not warrant the accuracy of these Documents or that these Documents constitute all documents that may exist regarding the conditions of the Property, and that Developer has been cautioned to conduct its own inquiry to determine if more information is available.

### **Section 2.11 Suitability of the Property**

(a) Prior to Closing, Developer shall have the right to engage, at its sole cost and expense, its own environmental consultant (“Developer’s Environmental Consultant”), to make such investigations as Developer deems necessary, including without limitation any “Phase 1” and/or “Phase 2” investigations of the Property or any portion thereof, and the Authority shall promptly be provided a copy of all reports and test results provided by Developer’s Environmental Consultant (the “Environmental Reports”).

(b) The Property shall be delivered from Authority to Developer in an “as is” physical condition, with no warranty, express or implied by Authority as to the presence of



Hazardous Substances, or the condition of the soil, its geology or the presence of known or unknown faults. If the condition of the Property is not in all respects entirely suitable for the use or uses to which such Property will be put, then it is the sole responsibility and obligation of Developer to place the Property in all respects in a condition entirely suitable for the development thereof, solely at Developer's expense.

(c) Effective upon Closing, Developer agrees to indemnify, defend and hold harmless the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives, in accordance with the Environmental Indemnity (**Attachment No. 8**).

(d) On and after the Effective Date of this Agreement, Developer hereby waives, releases and discharges the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives, from any and all present and future claims, demands, suits, legal and administrative proceedings, and from all liability for damages, losses, costs, liabilities, fees and expenses (including, without limitation, attorneys' fees) arising out of or in any way connected with the Authority's or Developer's use, maintenance, ownership or operation of the Property, any Hazardous Substances on the Property, or the existence of Hazardous Substances contamination in any state on the Property, however the Hazardous Substances came to be placed there, except that arising out of the gross negligence or willful misconduct of the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives. Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

To the extent of the release set forth in this Section 2.11, Developer hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

### **Section 2.12 Property Access Prior to Close of Escrow**

Beginning on the Effective Date of this Agreement and ending at the Closing, Developer and representatives of Developer shall have the right of access to and entry upon the Property at all reasonable times, in accordance with the terms and conditions of the Right of Entry Agreement, which is attached hereto and incorporated herein by this reference as **Attachment No. 16**, for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement.

### **Section 2.13 Method of Financing**

The Project shall be financed with a combination of sources of financing, including the

Construction Loan and Necessary Capital Contributions, as provided in the Method of Financing, attached hereto as **Attachment Nos. 2**. Developer shall use diligent, good faith efforts to secure the Necessary Capital Contributions for the Project prior to the Closing as required herein. Developer is responsible for all costs to complete the construction and development of the Improvements on the Project pursuant to this Agreement and the Scope of Development.

After the execution of this Agreement, Developer shall promptly begin and thereafter diligently pursue fundraising efforts to fund the Project, pursuant to Section 2.14 below. In addition to any other requirements under this Agreement, within fifteen (15) days of the Authority's request, Developer shall provide written reports concerning the progress of its fundraising efforts.

#### **Section 2.14 Capital Contributions Campaign**

Developer has begun accepting third-party donations for use in connection with the development and construction of the Improvements on the Property and Developer shall continue to solicit donations for such purpose until Developer has received and placed into Developer's account the total amount of the Necessary Capital Contributions.

Developer shall provide to the Authority a report every month (the "Status Report") detailing (i) the status of the receipt of capital campaign donations and pledges and the total amount of capital campaign funds on-hand, and (ii) the most recent estimated costs prepared by or on behalf of Developer associated with construction and development of the Project on the Property. The first Status Report shall be due by July 5, 2015 and each subsequent Status Report shall be due each month thereafter until Close of Escrow.

#### **Section 2.15 Representations and Warranties**

(a) As an inducement to the Authority to enter into this Agreement and consummate the transactions described herein, Developer hereby represents and warrants to the Authority, which representations and warranties are true and correct as of the date of this Agreement and which shall survive the Close of Escrow:

(1) The Developer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to satisfy all obligations of the Developer in this Agreement or in any instrument or document referred to herein (referred to collectively as the "Developer's Obligations");

(2) This Agreement and all documents required hereby to be executed by Developer are, and shall be, valid, legally binding obligations of and enforceable against Developer in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally;

(3) There is no charter, bylaw, or capital stock provision of Developer, and no provision of any indenture, instrument, or agreement, written or oral, to which Developer is a party or which governs the actions of Developer or which is otherwise binding upon Developer or Developer's property, nor is there any statute, rule or regulation, or any judgment, decree, or order of any court or agency binding on Developer or Developer's property which would be contravened by the execution, delivery or performance of any of Developer's Obligations;

(4) There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of